Local Government Resource Handbook

NOVA SCOTIA
Service Nova Scotia
and Municipal Relations

Volume 1

+4

Local Government Resource Handbook

Introduction

Service Nova Scotia and Municipal Relations is pleased to forward the first volume of the ***Local Government Resource Handbook.*** This handbook will provide guidance and assistance to municipalities on topics relating to municipal finance, administration, planning and development, human resources and strategic management. In addition, this handbook includes a review of the Municipal Relations Division, describing the services provided, and providing contact numbers as well as listing the programs for municipalities from both the provincial and federal levels of government.

Over the next few years, this handbook will evolve and expand to include additional volumes as further studies and reviews are completed. The objectives of this process are to:

- identify the planning and management strategies which would meet the needs and interests of municipalities
- develop user friendly guidebooks to assist municipalities on the implementation of these strategies
- consult with the municipalities to determine what management strategies are best suited for them
- assist municipalities in the implementation of these strategies
- continually monitor the experiences of the municipalities and new planning and management trends, to ensure the binders are current and reflect the needs of Nova Scotian municipalities

The ***Local Government Resource Handbook*** will complement the Department's other documents ***Municipal Government Act Resource Binder,*** the ***Municipal Accounting and Reporting Manual,*** as well as the Association of Municipal Administrators Nova Scotia documents, the ***Nova Scotia Model Policy Manual for Municipalities*** and the ***Nova Scotia Model By-law Manual for Municipalities.*** (The AMA documents can be viewed at www.munisource.org/amans/)

In combination, these documents will provide Nova Scotia Municipalities with the resource tools necessary for each to maintain an effective and efficient municipality and to achieve their long term aspirations.

If you have any comments or questions concerning the sections contained in this handbook or if you have any suggestions for further topics, please forward them to:

Stephen Feist
Senior Municipal Officer
Service Nova Scotia and Municipal Relations
4th Floor Summit Place
PO Box 216
Halifax, Nova Scotia
B3J 2M4

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feistse@gov.ns.ca

101-05213/

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Volume 1

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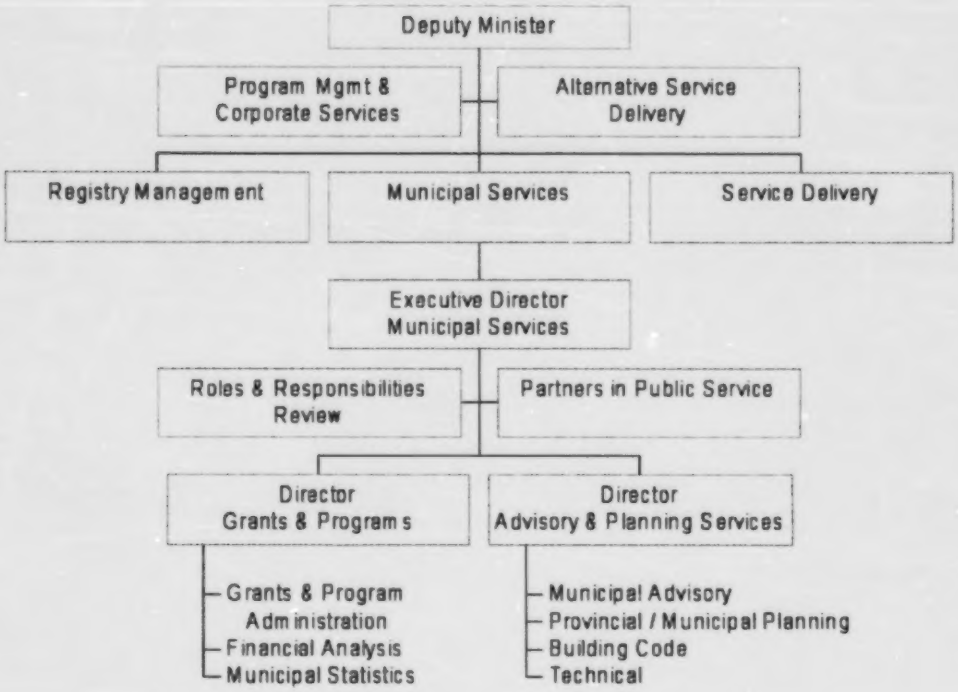
Section 1.1

Deputy Minister s Office



Service Nova Scotia and Municipal Relations

On October 2, 2000 the majority of functions of the former Departments of Housing and Municipal Affairs, and Business and Consumer Services were combined to form **Service Nova Scotia and Municipal Relations**. This new structure will better reflect the Province's strategic priorities of creating a service oriented organization. As the functions of the divisions (Municipal Relations, Service Delivery, Registry Management, Alternative Program Delivery, and Program Management and Corporate Services) are further refined, there will be organizational changes. The following discussion provides details on those functions within the Municipal Services area (background material on the entire department to follow).

Deputy Minister s Office

The Deputy Minister of Service Nova Scotia and Municipal Relations is the senior public servant in the Department and reports to the Minister. The Deputy Minister's Office provides services necessary to support the Minister, the Deputy Minister and the Department. Service areas include:

Communications coordinates the Department's internal and external communications and media relations activities. These activities include:

- strategic planning of communications programs to support the goals and objectives of the Department
- advising the Minister, Deputy Minister and senior officials on communications issues and strategies
- issues management, identifying stakeholders and their positions on issues
- media relations, including preparing news releases, responding to media enquiries, monitoring and analyzing coverage of the Department and issues related to it
- media training for Department spokespeople to prepare them for dealings with the media
- employee communications, to keep management and staff up-to-date on news and issues facing the Department
- writing speeches and speaking points for the Premier, the Minister, the Deputy Minister and senior officials; developing electronic presentations to support speeches
- preparing House statements and resolutions for the Minister
- preparing briefing notes and maintaining the Department's briefing book
- researching and writing the Department's annual report
- developing and running an orientation session for newly elected municipal officials, in partnership with the Union of Nova Scotia Municipalities
- developing and maintaining the Department's Internet and intranet sites
- managing the Department's advertising program
- developing speeches and presentations
- producing the annual report
- counseling other divisions and agencies in the Department with their communications needs

Contact: Director of Communications (902) 424-6336

Legal Services provides guidance in the preparation and interpretation of legislation, and acts a legal counsel to the Minister and the Department. Their activities include:

- drafting and reviewing new legislation
- representing the Department and the government in hearings and litigation
- reviewing, and approving Department contracts
- reviewing, preparing and approving Department regulations, Government-in-Council regulations, and reports and recommendations
- advising the Minister, Deputy Minister and Department staff on legal issues related to their functions
- assisting municipal solicitors with municipal law topics
- maintaining a by-law registry for use by municipalities and Department staff
- updating the Municipal Election Guides and advising the Municipal Elections Officer
- liaising with the legal community and stakeholder groups on legislative issues
- staying up-to-date on how other jurisdictions deal with legal issues facing the Department
- serving on Department, inter-department and inter-governmental committees
- delivering workshops, training, presentations and speeches on municipal law issues
- drafting letters related to legal issues for the Minister's and Deputy Minister's signatures

Contact: Please direct questions through Municipal Advisor.

Corporate Services Unit (CSU) provides common support services in three core areas:

- *Human Resources*: recruitment, retention and training of staff; assisting staff with benefits-related issues
- *Financial Services*: contracts and processes payments for goods and services received, issues program awards, oversees office security procedures
- *Information Technology*: maintains the Department's IT network, assists users with computer- and software-related issues, advises internal clients about technology solutions

Human Resources CSU provides human resource services and expertise to our four client departments. Ensuring that appropriate staffing decisions are made is essential to enable our clients to meet their mandates. The Branch will also assist with the delivery of other corporate programs.

Contact: Director of Human Resources (902) 424-7734

Financial Services: Financial Services Group provides financial expertise and advice to the Department in its support of government's objectives. As well, Financial Services Group provides complete, timely and accurate financial information to the senior management team and the Deputy Minister.

They will build and strengthen relationships with the Department's staff to improve the Group's understanding of the Department's business and our customers' needs.

Contact: Director of Financial Services (902) 424-7779

Information Technology Information Technology provides the management and support for the networks, desktops, and computer systems used by departmental staff across the province. During 2000-2001, the IT team will:

- Partner with other Corporate Service Units to further develop common approaches to support and sharing of resources. In 1999-2000, nine Departments and three Corporate Service Units completed a Regional Support pilot project for three regions in the province. During 2000-2001, the initiative will include the entire province.
- Move to a technology platform that allows the Information Technology Help Desk and network team to remotely support clients as they require computer assistance.
- Help to develop new systems to improve business processes
- Cross-train staff who support mission-critical systems such as the OASIS for Assessment Services.
- Work with clients to maintain and enhance existing systems as required.

Contact: Director of Information Technology (902) 424-7452

Section 1.2

Municipal Services

Municipal Services Division provides a wide range of services to municipalities. It acts as municipalities' window into the Province and maintains the legislative framework in which municipalities operate. It is responsible for providing advice and assistance to municipalities in the areas of financial administration and management, infrastructure and engineering undertakings, and land-use planning In addition, staff of the Division are involved with policy and program support on matters of provincial-municipal interest, interdepartmental environmental and resource planning concerns, and overall structures related to communities and local government in Nova Scotia.

Advisory & Planning Services provides advisory services to municipal governments, policy support for provincial-municipal interactions, building construction standards, land-use planning and the administration of *Provincial Subdivision Regulations*, advice and assistance in the areas of administration and finance, municipal restructuring, and inter-municipal agreements. (This section also provides mapping and technical support services to the Division).

Grants & Programs provides an advisory service to municipal governments in the areas of finance and administration, municipal infrastructure and environmental engineering, monitors the financial performance and viability of municipalities, recommends programs of assistance, administers operating and unconditional capital grants program, and facilitates implementation of provincial-municipal restructuring initiatives.

Programs:

- *Grants-in-lieu of Taxes* - Payment of grants-in-lieu of taxes on eligible provincial property.
- *Unconditional Capital Grant* - Distribution of Capital grant for purposes excepting education, health, social services and administration of justice.
- *Farm Land Grant* - A grant per acre paid on exempted farmland (excluding buildings) used for agricultural purposes.
- *Equalization Grant* - Paid to municipalities on a formula basis to the amount by which their Standard Services Cost exceeds their ability to pay.

- *Formula Grants* - Special projects designed to promote or support excellence in municipal government. Initiatives designed to enable fiscally challenged municipal units to cope with existing and emerging financial pressures.

- *Fire Protection Grants* - Paid to municipalities to offset the cost of providing fire protection services to provincially owned properties which are exempt from grants-in-lieu.

- *Special Project Grants* - Special municipal and community projects approved at the discretion of the Minister.

- *Provincial Capital Assistance Program* - Contribution of up to 50 percent of the approved net cost of eligible water, sewer and solid waste management projects undertaken by municipalities.

- *Canada/Nova Scotia Infrastructure Works* - The Canada-Nova Scotia Infrastructure Works Program is a shared cost program with the federal, provincial, municipal governments and other funding partners. The program addresses the infrastructure needs and priorities of local governments.

- *Urban Transport Program* - Provide support for Accessible Transportation Assistance Program (ATAP) and Inclusive Transportation Pilot Project.

- *Inclusive Transportation Program* - Facilitates the establishment of sustainable public transportation services that are accessible to all persons.

- *ACCESS-ability Grants* - Provide support for non-profit community organizations or groups, and municipalities of up to two thirds of the direct and indirect costs of renovations, installations, and/or equipment, to accommodate persons with disabilities to a maximum of $10,000, subject to funding availability.

- *Villages HST Rebate* - The Department offsets the impact of the HST on villages.

For further information, please contact:
MUNICIPAL SERVICES DIVISION
P.O. Box 216
Halifax, NS B3J 2M4
Ph: (902) 424-6642
Fx: (902 424-0821

Section 1.3

Municipal/Provincial Roles and Responsibilities Review:

Introduction

Provincial commitment to review in 1997

In the fall of 1997, the Premier committed the Province to undertake, with the Union of Nova Scotia Municipalities, a Joint Review of Provincial and Municipal roles and responsibilities to examine options for addressing three issues of immediate concern to municipalities. The issues were: social services funding, bridges and education. Fully funded equalization grants were later added to this list of issues.

Province and the Union of Nova Scotia Municipalities

To initiate this process, the Province and the Union of Nova Scotia Municipalities concluded a Memorandum of Understanding in April of 1998 on three short term initiatives: bridges, fully funded equalization grants and social services. The Memorandum provided for funding to municipalities and included a process for eliminating municipal financial contributions to social services over a period of 5 years.

Both parties made a commitment to consult with municipalities and provincial departments as an important part of the Review process

The Need for a Review

Why do we need a review?

Over the past several years considerable provincial and municipal effort has gone into the review of local government in Nova Scotia. Beginning with the Task Force on Local Government which was established in 1991 and culminating in the Service Exchange of 1995, the roles and responsibilities of municipal governments and the Province have changed considerably.

While significant changes resulted from the 1995 Service Exchange, a number of issues were left unresolved or unaddressed.

In the fall of 1998, the Province and the Union of Nova Scotia Municipalities (UNSM) committed to a joint review of provincial and municipal roles and responsibilities. This review is in response to:

- changing expectations of government
- new fiscal realities
- new provincial initiatives (such as solid waste management), and
- demographic and social shifts in the province.

At the outset, the Province and the UNSM agreed to the following general principles:

- the review would be undertaken jointly by the Province and the UNSM
- the review process would be open, consultative and collaborative
- decisions regarding the review process would be made by consensus, and
- the costs of the review would be shared by the Province and the UNSM.

How does the review process work?

The review was broken into three phases:

- **Issue Identification Phase** - the issues negatively affecting the municipal-provincial relationship and opportunities for improvement are identified. The final report from the Issue Identification Phase was delivered on 9 December 1998.

- **Study Phase** - reviews of the identified issues are carried out and options are recommended to both levels of government.

  The Study Phase was completed in spring of 2000.

- **Implementation Phase** - implementation of approved recommendations.

This study commenced in the spring of 2000. Issues being examined cover such areas as education, solid waste, economic development and business occupancy tax.

Contact:
Nathan Gorall
Ph: (902) 424-2499
Fx: (902) 424-0821

email: gorallne@gov.ns.ca

Section 1.4

Municipal Finance Corporation

The Nova Scotia Municipal Finance Corporation (MFC) was established by an Act of the Legislature of the Province of Nova Scotia in 1979. The MFC concept is widely used in Canadian provinces and American states as a cost effective, efficient means of raising long term debenture funds to finance municipal capital projects. Studies have shown that smaller municipalities with lower credit ratings receive the greatest interest savings from MFC participation and that all municipalities can benefit from savings in the cost of administration on outstanding debenture issues.

The Corporation's purpose is to provide low cost financing to its clients which includes municipalities, municipal enterprises, school boards and hospitals. All municipalities, municipal enterprises and school boards must finance, and hospitals may finance their external capital requirements through the Corporation. Exceptions occur for capital projects funded directly by the Province of Nova Scotia (e.g., most school board capital projects), short term financing, and certain projects for which funds may be borrowed from other governments. Under current provincial policy, the Corporation funds municipal and municipal enterprise capital projects and some school board projects.

The affairs of the Corporation are managed by a Board of Director's appointed by the Governor-in-Council. Forty percent are appointed on the recommendation of the Union of Nova Scotia Municipalities. The full time staff of the Corporation receives support and resources from the provincial Departments of Finance, Justice, and Housing and Municipal Affairs.

As of the 1999/2000 fiscal year end, the Corporation had $616,943,000 in debenture issues and $612,502,241 in loans outstanding. Debentures and loans are directly administered by staff of the Corporation, with assistance from the Nova Scotia Department of Finance. In addition, the Corporation administered a sinking fund trusts valued at $100,319,585, as of the end of the 1999/2000 fiscal year, on behalf of municipal units for non-serial issues.

Mission

"To utilize credit enhancement and debt pooling techniques to meet clients' approved funding requirements at the lowest possible cost."

This is achieved through the issuance of debentures. The Corporation pools municipal borrowing requirements which eliminate the need for individual municipalities to negotiate and administer their own debenture issues. Under the MFC arrangement, the debt issuance functions remain in

the public sector domain.

The benefits (both in terms of interest rates and administration of issue expenses) of pooling individual municipal capital borrowing requirements would be lost if each municipal unit was to access the market directly. If the Province were to raise the funds and make loans directly to municipal units, the function would become provincial and not municipal.

The formation of the MFC was initiated by the 1975 "Proposal for Municipal Reform" study sponsored by the Union of Nova Scotia Municipalities. Forty percent of the Board of Director's is appointed on the recommendation of the UNSM, a reflection of the desire to have strong municipal representation in the affairs of the Corporation.

Strategic goals

A. To work with clients, the Province and the investment community in providing capital financing to our clients at the lowest cost of funds available for their particular debt structure and timing needs.

B. To explore and develop new methods and products for meeting the needs of our clients through contact with the investment community, the public sector and academic research.

C. To promote responsible and professional approaches to municipal capital project planning and financing (jointly with Service Nova Scotia and Municipal Relations).

D. To prudently manage all financial aspects of the Corporation; including credit risk and asset/liability management.

Core business functions

A. Providing low-cost funds to clients

1. Provide financing for clients' approved funding requirements by pooling these requirements and issuing debentures. Separate issues can be arranged for single capital projects in amounts sufficient to permit a public issue, provided they do not preclude a pooled issue for other clients.

2. Administer debt issues and loans to further reduce client borrowing expenses. This involves the collection and administration of loans from clients and the payment of interest and principal on debentures outstanding. Other administrative functions include the management of computerized loan and debenture systems, the issuance of income tax receipts to investors, budgeting, accounting, reporting, and

office administration.

3. Administer sinking fund trusts on behalf of clients. A number of the outstanding debenture issues are of the bullet type, with no principal payments until the end of the term. Sinking fund trusts exist for each of these debenture series and these trusts are administered by the Corporation. The administration includes security purchases, administration of investment income from securities held, analysis of the adequacy of current levels of installment payments to meet loan repayment requirements at maturity, fund valuation at year-end and at maturity, reporting and accounting.

B. Explore improved methods and products in meeting client needs

1. Maintain communication links with the investment community, public sector finance practitioners and academics and carry out research as required to enable the Corporation to respond to changing client needs.

2. Prepare and review policy recommendations regarding the Corporation's use of financial innovation techniques and instruments.

3. Assist local governments in evaluating alternative methods of raising capital project financing including partnerships with the private sector.

C. Encourage municipal government to adopt and maintain a professional approach to capital project planning and finance.

1. Educate municipal clients on the topic of capital finance through seminars and field visits.

2. Work with Service Nova Scotia and Municipal Relations in promoting an informed and responsible approach to capital planning and finance.

D. Prudent financial management

1. To ensure that an acceptable process is in place for evaluating the credit worthiness of the loans made by the Corporation.

2. To ensure the Corporation's assets and liabilities (as well as those it manages in trust) are matched in both amount and duration.

Priorities

A. Providing low-cost funds to clients.

- To meet all approved requests for debenture funding by issuing up to $100,000,000 in debentures and on-loaning a similar amount to municipal units and enterprises.
- To meet the capital funding needs of non-municipal borrowers when requested to do so by the Province of Nova Scotia.
- To meet all requests for short-term financing pending issuance of a debenture.
- To administer $670 million in outstanding debentures which includes the payment of debenture interest.
- To administer $670 million in outstanding loans to municipalities, school boards, and hospitals.
- To invest and administer sinking fund trusts valued at $150 million.
- Continue to compare favourably with other MFC's on the basis of administration costs per loan, new issue placement, and sinking fund administration costs to service ratios.
- Prepare an annual assessment of markets, debentures, loans and corporate activity.

B. Explore improved methods and products in meeting client needs.

- Consultation with municipal officials on capital financing needs and the preferred features in the debentures issued through the MFC.
- Consult with clients on additional financial services which they may require.
- Establish committees to study the merits of financial innovation regarding the introduction of new products and services.
- Work with the Corporation's lead managers and other members of the investment community, staff of the Nova Scotia Department of Finance, other Municipal Finance Corporation's, and others involved in municipal capital financing to identify evolving local government financial product needs and the optimum means of satisfying them.
- Maintain the NSMFC website

C. Encourage municipalities to adopt and maintain a professional approach to capital project planning and finance.

- Communication with existing and future clients.
- Collaborate with staff of Service Nova Scotia and Municipal Relations in developing responses to municipal capital financing proposals.

- Respond to all inquiries on interest rate levels, projections, and funding options.

D. Prudent financial management

- Obtain verification of credit worthiness from Service Nova Scotia and Municipal Relations prior to setting the parameters for pooled issues.
- Match the amount, term and timing of MFC debentures and loans to units.

Telephone: (902) 424-4590
Fax: (902) 424-0525
Website: http://www.gov.ns.ca/nsmfc

Section 1.5

Assistance Programs

In 1994, the Nova Scotia Department of Municipal Affairs produced their 24th annual edition of Financial Assistance Programs for Nova Scotia Municipalities. This document provided a detailed listing of Provincial and Federal programs which would have been of interest to municipalities, their boards, commissions or organizations. This document proved to be a popular publication, and the following section provides a continuation of this earlier work.

Every effort has been made to make this guide of the main provincial and federal programs as comprehensive and as current as possible for the major programs. The reader is cautioned, however, programs may change at anytime and there may be some specialized programs which are not listed in this section. For these reasons, each municipality should check with the appropriate provincial and federal agencies for any changes, additions or deletions of programs.

Province of Nova Scotia

Department of Agriculture and Fisheries

WEED CONTROL

Under the Provincial-Municipal Service Exchange Program, effective April 1, 1995, the Weed Control Act became the sole responsibility of the Department of Agriculture and Fisheries. Provisions of the Weed Control Act, Chapter 501 of the Revised Statutes, 1989, were amended by the *Municipal Reform Act, S.N.S.* 1994-95, c.7, ss. 139-147, which repealed sections pertaining to the appointment of municipal inspectors and their compensation. Under the revised *Act*, the Minister of Agriculture and Fisheries appoints district inspectors for any districts designated in the appointments.

Although not specifically for municipalities, there is provision made for financial assistance to occupants in the cost of original cleanup and maintenance of control of a number of noxious weeds as listed in Sections 8 and 9 of the Regulations to the Weed Control Act.

Inspector Rick Hoeg
Dept. Of Agriculture and Fisheries,
P.O. Box 550,
Truro, NS
B2N 5E3

Phone (902) 893-6549
Phone (902) 679-6030
Email hoegrl@gov.ns.ca

Department of Community Services

As a result of the Provincial-Municipal Service Exchange, the full cost of services for children, which had previously been cost-shared with municipalities, was assumed by the Province.

Effective April 1, 1998, the Province assumed full responsibility for the delivery of income assistance in the Province. Prior to then, short term assistance (formerly known as municipal general assistance, "GA") was provided by the various municipalities. Effective the same date, the Province and the Union of Nova Scotia Municipalities signed a Memorandum of Understanding ("MOU"). This MOU sets out a schedule for the phase-out of municipal cost-sharing of the former GA, as well as the municipal portion of the cost of community supports for adults programs.

The Department of Community Services provides a full range of social services to Nova Scotians, including family and children's services (often a partnership with Children's Aid Societies and community agencies) and Income & Employment Support Services.

The Department of Community Services is in the final stages of income assistance redesign. As part of this redesign, one piece of legislation respecting the delivery of income assistance will be introduced in the House of Assembly in the fall of 2000, for implementation in April 2001.

Department of the Environment and Labour

Departmental assistance to Nova Scotia municipalities has shifted from providing financial support to providing primarily professional and technical support, promoting the use and development of local environmental technologies and cooperating with the Resource Recovery Fund Board (RRFB) to implement solid waste programs.

Resource Recovery Fund Board

These programs are made pursuant to the *Solid Waste-Resource Management Regulations,* made under section 102 of the *Environment Act.*

The Resource Recovery Fund Board (RRFB) is a not-for-profit entity established under the *Environment Act.* The RRFB is required by the *Solid Waste-Resource Management Regulations* to provide funding for a municipal solid waste diversion. The RRFB has a five-year agreement with the Minister to administer specific solid waste initiatives and this agreement expires February 2001.

Approved programs include the following:

1. Municipal waste diversion programs, including source reduction, reuse, recycling and composting programs;
2. Municipal household hazardous waste programs;
3. Municipal waste management education programs; and
4. Market development, manufacturing and processing of recycled materials.

For more information contact:

Resource Recovery Fund Board
14 Court Street
Suite 305
Truro, Nova Scotia
B2N 3H7

Phone (902) 895-7732

Service Nova Scotia and Municipal Relations

Grants-In-Lieu of Taxes

Section 3 of the Municipal Grants Act provides for the payment of grants-in-lieu of taxes on eligible provincial property. The grants paid are equal to full taxes that would be paid if the property were taxable. The definition of Provincial properties excludes hospitals and health care facilities, educational institutions, facilities for the permanent display of art and cultural and historical information including historical sites, water and sewage systems other than on-site systems, and property of an agency, authority, board, commission, or Crown corporation, or those of the Minister of Service Nova Scotia and Municipal Relations pursuant to the Housing Act. In addition, a grant-in-lieu of taxes is paid in a ratio equal to 40 percent of full taxes with respect to the residential property of post-secondary educational institutions and hospitals.

- Contact: Ed Fry
  (902) 424-5676
  efry@gov.ns.ca

Unconditional Capital Grant

Distribution of Capital grant for purposes excepting education, health, social services and administration of justice

- Contact: Wendy Dauphinee
  (902) 424-6338
  wdauphin@gov.ns.ca

Farm Land Grant

Pursuant to Section 77 of the *Act* the Department shall pay a grant in respect to the exempt farm property equal to $2.10 per acre for the fiscal year ending March 31, 2001, and for each subsequent fiscal year the grant will be indexed by the Consumer Price Index for Canada.

- Contact: Ed Fry
  (902) 424-5676
  efry@gov.ns.ca

Equalization Grant

Section 8 of the Municipal Grants Act provides for the payment of an equalization grant which is in the form of an unconditional transfer. The grant is based on a formula which compares expenditure needs and ability to pay.

- Contact: Wendy Dauphinee
  (902) 424-6338
  wdauphin@gov.ns.ca

Formula Grants

Special projects designed to promote and or support excellence in municipal government. Initiatives designed to enable fiscally challenged municipal units to cope with existing and emerging financial pressures.

- Contact: Wendy Dauphinee
  (902) 424-6338
  wdauphin@gov.ns.ca

- Contact: Bob Houlihan
  (902) 424-3587
  houlihra@gov.ns.ca

Fire Protection Grants

Paid to municipalities to offset the cost of providing fire protection services (for buildings only) to provincially owned properties which are exempt from grants-in-lieu.

- Contact: Ed Fry
  (902) 424-5676
  efry@gov.ns.ca

Special Project Grants

Special municipal and community projects approved at the discretion of the Minister.

- Contact: Bob Houlihan
  (902) 424-3587
  houlihra@gov.ns.ca

Provincial Capital Assistance Program

This program provides for a contribution of up to 50 percent of the approved net cost of eligible water and sewer and solid waste management projects undertaken by municipalities.

- Contact: Aileen Waller-Hebb, P.Eng.
  (902) 424-7414
  wallerae@gov.ns.ca

Canada/Nova Scotia Infrastructure Works

The Canada-Nova Scotia Infrastructure Works Program is a shared cost program with the federal, provincial, municipal governments and other funding partners. The program addresses the infrastructure needs and priorities of local governments.

- Contact: Marvin MacDonald, P.Eng.
  (902) 424-3858
  mrmacdon@gov.ns.ca

Urban Transport Program

Provide support for Accessible Transportation Assistance Program (ATAP) and Inclusive Transportation Pilot Project.

- Contact: Marvin MacDonald, P.Eng.
  (902) 424-3858
  mrmacdon@gov.ns.ca

Inclusive Transportation Program

Facilitates the establishment of sustainable public transportation services that are accessible to all persons.

- Contact: Grant Brennan
  (902) 424-7416
  brennagw@gov.ns.ca

ACCESS-ability Grants

Provide support for non-profit community organizations or groups, and municipalities of up to two thirds of the direct and indirect costs of renovations, installations, and/or equipment, to accommodate persons with disabilities to a maximum of $10,000, subject to funding availability.

- Contact: Karen Ramsland
  (902) 424-7798
  kramslan@gov.ns.ca

Villages HST Rebate

The Department offsets the impact of the HST on villages (partial offset).

- Contact: Ed Fry
  (902) 424-5676
  efry@gov.ns.ca

Department of Natural Resources

Information Service - Institutional Buildings

Professional engineers in the Energy Utilization Section will provide advice to municipalities on energy efficiency opportunities in new and existing public buildings. Advice is available on lighting, heating, ventilation and air conditioning systems (HVAC), insulation, windows, air leakage control, and service water heating. Municipal staff may use the toll-free ENERINFO line - 1-800-6704636 to access section engineers. Staff is also available to assist with workshops and seminars on energy efficiency in public buildings.

Residential Energy Advisory Service (ENERINFO)

Information on retrofitting existing homes for energy efficiency, energy-efficient new home construction, and renewable energy opportunities in new and existing housing is available through the toll-free ENERINFO line 1-800-670-4636. Natural Resources staff can answer questions about insulation, controlling air leakage, ventilation, windows, heating systems, domestic water heating, etc. Free publications and videotape loans are available on a variety of topics. Staff can also assist with organization and delivery of workshops and seminars on residential energy efficiency.

Other Programs

Department staff is available to provide advice and assistance in setting up a variety of energy related programs, including employee awareness programs and information programs. Literature and awareness programs are available upon request.

For more information, contact:

Allan Parker, P. Eng.
Manager
Energy Utilization
Nova Scotia Department of Natural Resources
P.O. Box 698, Halifax, NS
B3J 2T9

Phone (902) 424-8175

The Government of Canada

Human Resources Development Canada

HRDC has a number of programs and services directed towards helping individuals to integrate into the labour market. Eligibility criteria for the various programs vary, depending on individual circumstances.

Some of the major HRDC labour market programs are:

- **Local Labour Market Partnerships**
  Local Labour Market partnerships (LLMP) promote community partnerships to develop strategies that expand a community's employment base, hence enhancing the potential for local economic success.

- **Job Creation Partnerships**
  Job Creation Partnerships bring together local partners to promote long-term employment development by linking the needs of unemployed workers with local economic development.

- **Employment Assistance Services**
  Employment Assistance Services (EAS) are offered through agreements with coordinators, organizations and community groups to help unemployed individuals become employed.

- **Targeted Wage Subsidies**
  Individuals who have been unemployed for a long time and are having difficulties finding work may be able to benefit from on-the-job work experience made possible through Targeted Wage Subsidies (TWS).

- **Self Employment Benefits**
  Self Employment Benefits provide eligible individuals with financial assistance for a fixed period while they are starting up a new business. Eligible individuals currently on an EI claim continue receiving their regular EI benefits and these may be "topped-up" to a locally determined flat rate. Other participants negotiate a rate of income support or receive a locally determined flat rate.

Human Resources Centres of Canada in the Nova Scotia Region:

South Shore / Valley:

HRCC Bridgewater
77 Dufferin Street
P.O. Box 3100
Bridgewater NS, B4V 3J1
Manager: Dave Morgan
Phone: 527-5538
Fax: 527-5570

HRCC Digby
Evangeline Mall
P.O. Box 1540
Digby, NS, B0V 1A0
Manager: Rick Wilson
Phone: 245-4382
Fax: 245-6226

HRCC Kentville
2nd Floor, 495 Main St.
P.O. Box 150
Kentville, NS, B4N 3W5
Manager: Jennie Enman
Phone: 679-5734
Fax: 679-5786

HRCC Yarmouth
13 Willow Street
P.O. Box 249
Yarmouth, NS, B5A 4B2
Manager: Bob Manuel
Phone: 742-0810
Fax: 742-0815

HRCC Shelburne
218 Water St.
Shelburne, NS, B0T 1W0
Manager: Barb Goulden
Phone: 875-4792
Fax: 875-3505

Northern Nova Scotia:

HRCC New Glasgow
340 East River Road
New Glasgow, NS,
B2H 3P7
Manager: Colleen Nix
Phone: 755-7804
Fax: 755-7814

HRCC Amherst
15 Victoria Street
Amherst, NS, B4H 3Z2
A/Manager: Willard Hudson
Phone: 661-6605
Fax: 661-6637

HRCC Antigonish
2nd Floor, Federal Bldg.
325 Main Street
Antigonish, NS, B2G 2C3
Manager: Darryl MacDonald
Phone: 863-7037
Fax: 863-7053

HRCC Port Hawkesbury
PO Box 699
Port Hawkesbury, NS,
B0E 2V0
Manager: Murielle Gionet-MacNeil
Phone: 625-4130
Fax: 6254137

HRCC Truro
14 Court Street
Truro, NS, B2N 3H7
Manager: Cathy Berliner
Phone: 893-0016
Fax 893-0075

Halifax Metropolitan Area:

HRCC Halifax
Tower 2, 7001 Mumford Rd.
PO Box 1800
Halifax, NS, B3J 3B1
Manager: Bette MacIsaac
Phone: 426-5607
Fax: 426-4096

HRCC Bedford
2nd Floor, Royal Bank Bldg.
1597 Bedford Highway
Bedford, NS, B4A 3Z8
Manager: Nancy Mariotti
Phone: 426-9214
Fax: 426-7301

HRCC Dartmouth
114 Woodlawn Rd.
PO Box 2400, DEPS
Dartmouth, NS, B2W 4A5
Manager: George Doleman
Phone: 4265996
Fax: 426-7301

HRCC Windsor
176 Water Street
PO Box 2760
Windsor, NS, B0N 2T0
Manager: Heather Jarmyn
Phone: 798-6509
Fax: 798-5816

Industrial Cape Breton:

HRCC Sydney
15 Dorchester St.
PO Box 850
Sydney, NS, B1P 6J3
Manager: Bruce Reardon
Phone: 564-7220
Fax: 564-7104

HRCC Glace Bay
633 Main St.
Suite 201
Glace Bay, NS, B1A 5V4
Manager: Kathleen MacNeil
Phone: 794-5877
Fax: 794-5724

HRCC North Sydney
105 King Street
North Sydney NS, B2A 3S1
Manager: Sandra Power
Phone: 794-5877
Fax: 794-5724

DEPARTMENT OF NATIONAL DEFENCE

Capital Contributions for Construction Projects

Capital contributions may be made by the Department of National Defence to provincial or municipal agencies responsible for providing municipal services to National Defence establishments. The intent of the contribution is to assist in the construction of works and facilities that are required for the effective and safe operation of a Department of National Defence facility and which are in excess of those normally provided by the agency. Typical projects are road safety improvements, the connection of a Base or Station to the regional/municipal water or sewer system the development of a regional waste disposal site, or the development of community recreational facilities such as a skating rink or swimming pool where appropriate.

The projects are funded on the basis of cost-sharing agreements, with the Department's portion expressed as a percentage of the total cost of the project. Payments are made directly to the municipality responsible for the construction project in accordance with the terms of the related agreement.

Purchase or sale of Utilities

The Department may purchase from municipalities and provincial utility suppliers, the utilities and services required for the operation of departmental facilities. In other cases, in areas where no other source of supply of utilities is available, the Department may provide services such as water supply or sewage treatment to adjoining municipalities on a cost recovery basis.

Utilities and services (water, sewage, electricity, gas, and other similar miscellaneous services) are purchased in accordance with a formal contract or agreement which is subject to normal review as to rate and terms. Payment for purchases, and claims for utilities and services provided, are made directly between the municipality or public utility commission and the Canadian Forces Base or Station concerned.

For More Information Contact:

Base/Wing Construction
Engineering Officer at the
Canadian Forces Base or Wing Concerned,
Or
Mr. Robert A. Faulkner
Manager - Corporate Realty Assets
Directorate Realty and Engineering Policy
National Defence Headquarters Mgen George R. Pearkes Building
Ottawa ON K1A 0K2 Phone: (613) 996-5351 Fax: (613) 995-1031

ROYAL CANADIAN MOUNTED POLICE

National Police Services Program

The Canadian Police Information Centre (CPIC) system, part of the National Police Services Programs, provides a computer-based central repository for information on stolen vehicles, license plates and parts, vehicles used in the commission of a crime, abandoned or operated by a wanted person, wanted, charged and paroled persons. The information is sorted and retrieved by police agencies using terminals connected to a main frame computer via telecommunications lines from coast to coast.

The costs of the CPIC system are borne almost entirely by the Federal Government. The shared costs between the Provinces, Municipalities and the Federal Government include only the rental of the communication lines from the provincial data switcher to the police agency offices and the rental of their terminals.

In most cases where an agreement for policing exists between the Federal Government and a Province or Municipality, the rental of line and terminals is paid for at the applicable costs share ratio contained in the policing agreement but that the basic service is provided free of charge.

A number of other services under National Police Services Programs such as the National Fingerprinting Program, Registration of Firearms, the Forensic Laboratory Services at Halifax, Nova Scotia, are available to accredited municipal police forces on a similar basis.

Police Services Under Contract

The Royal Canadian Mounted Police provides law enforcement services to provinces and municipalities that have requested these services. A request for policing services must be approved by the Federal Solicitor General and by the Provincial Minister of Justice and the respective municipal authority.

Under Municipal and Provincial policing agreements, the Federal Government agrees to share with the provincial and municipal authorities the cost of providing law enforcement services. The calculation of the total cost to be shared by the Federal, Provincial and Municipal Governments is determined through a direct costing formula which identifies the cost of policing in the Province during the previous fiscal year and applies these costs with adjustments for inflation, increases/decreases in establishment, etc., to the current billings. Billings to Provinces and Municipalities are on a quarterly basis and are for services provided during the previous three months period.

Contact:
NCO In Charge
"H" Division Planning section
P.O. Box 2286
Halifax, N.S.
B3J 3E1

Phone 902-426-9397
Fax: 902-426-8766

Section 2.1

Municipal Calendar for CAOs, Municipal Clerks and Treasurers

This calendar includes dates specified in various statutes that are of interest to Municipal Clerks and Treasurers. Although every effort has been made to identify the dates that would be important to most Municipal Clerks and Treasurers, the user is cautioned that not all situations have been covered. In addition, the user is cautioned that the preparation of this guide must necessarily involve interpretation of legislation as it applies in general situations. Specific situations may require careful legal analysis. Therefore, reference should be made to the appropriate Nova Scotia statutes and to legal advisors.

January		
Date	**Item**	**Reference**
January	Fourth instalment of equalization grants to municipalities paid by the Province.	19, 20(4) Municipal Grants Act
January	Property Assessment notices to be sent by Service Nova Scotia and Municipal Relations to property owners. The date on the notice starts the 21 day appeal period.	53(1), Assessment Act
January	Service Nova Scotia and Municipal Relations sends out summary of previous years assessment activity to municipal units	N/A
January 15	A district planning commission shall submit to the clerk of each of the participating municipalities an estimate of revenues and expenditures for the next fiscal year.	258(1), Municipal Government Act
January 31	The Library Council on or before January 31 shall forward its recommendations respecting maintenance grants to the municipality.	13(1), Libraries Act

February		
Date	**Item**	**Reference**
February 1	On or before February 1 or such date as may be set by the Nova Scotia Utility and Review Board (UARB), the balance sheets of the public utilities shall be filed with the UARB.	50(2) Act to Regulate Public Utilities
February 1	Not later that the first day of February of each year, each non-profit housing corporation wholly owned by the municipality shall submit to the council of each municipality that executed the instrument of incorporation or consented to an amendment to the instrument a report covering the activities of the corporation in the preceding year, together with a financial statement of the corporation for that year.	16, Municipal Housing Corporations Act
February 15	If the council of a county or district municipality decides to have a mayor elected at large, the decision may not be reversed after February 15 in the year in which the first mayor is to be elected.	12(9), Municipal Government Act
February (last day)	The T4 and the T4 Summary forms must be filed with the Income Tax Division of Revenue Canada and the information slips distributed to the municipal employees.	205, 206, Canadian Income Tax Act

March		
Date	**Item**	**Reference**
March 31	The end of the fiscal year for the municipality.	64, Municipal Government Act 2110, Accounting Manual

March		
Date	**Item**	**Reference**
March 31	A participating municipality may withdraw from a district planning commission effective April 1 without the agreement of the remaining participating municipalities, provided notice was given to the participating municipalities before March 31 of the preceding year.	253(3), Municipal Government Act
March 31	On or before December 31 in each year the Director of Assessment shall complete the roll and forward it to the Municipal Clerk, unless the Minister of Service Nova Scotia and Municipal Relations on or before December 31 extends the time to no later than the following March 31.	52(3), Assessment Act
March 31	The school fiscal year ends on March 31.	71(2) Education Act

April		
Date	**Item**	**Reference**
April	First instalment of equalization grants to municipalities are paid by the province (dependent upon timing of the Provincial Budget).	19, 20(4) Municipal Grants Act
April	In April the Service Nova Scotia and Municipal Relations sends out 3 forms to the municipalities for completion (Statement of Estimates, General Return and the Three Year Capital Budget). Within two weeks of when the municipality sets its tax rates, these forms should be completed and returned to the Service Nova Scotia and Municipal Relations to facilitate the determination of grants and approval of loans.	35, Municipal Grants Act 451, MGA
April 1	The beginning of the fiscal year for the municipality.	64, Municipal Government Act

April		
Date	**Item**	**Reference**
April 1	A participating municipality may withdraw from a district planning commission effective April 1 without the agreement of the remaining participating municipalities, provided notice was given to the participating municipalities before March 31 of the preceding year.	253(3), Municipal Government Act
April 1	The school fiscal year begins on April 1.	71(2) Education Act
April 1	Every municipal council shall prepare and submit to the Minister of Education before the first day of April in each year a statement of all revenues and expenditures relating to the capital program for school buildings for the last fiscal year.	6(4), Education Assistance Act
April 1, 2003	After April 1, 2003, property shall be put up for tax sale if the taxes are in arrears for the preceding three years (Section 134(2)) and council may defer a tax sale proceedings for a property for up to two years (Section 134(3)).	584(2), Municipal Government Act

May		
Date	**Item**	**Reference**
May	Service Nova Scotia and Municipal Relations sends proposed Assessment Rolls to Municipal Units for budgetary purposes. Assessment notices are sent to property owners with over a 3% increase in assessment. No appeals	N/A
May (first Tuesday)	The Annual meeting of the Fire Protection District will be held for the ratepayers.	27(1), Rural Fire District Act
May 10	The Commissioners of the Fire Protection District shall provide the clerk of the municipality the estimates to be collected by the municipality as an area rate.	46(2), Rural Fire District Act

June		
Date	**Item**	**Reference**
June 15	The auditor of the Library shall submit to the municipality a financial report of the operations of the library for the financial year.	14(2), Libraries Act
June 30	Property may be sold for taxes if the taxes with respect to the property are not paid in full for the taxation year immediately preceding the year in which the tax sale proceedings are commenced, but the proceedings shall not commence before June 30th in the year immediately following that taxation year.	134, Municipal Government Act
June 30	A District Planning Commission shall provide the councils of the participating municipalities with a financial report for the preceding year signed by the commission's auditor.	256, Municipal Government Act
June 30	A District Planning Commission shall make an annual report to the councils of the participating municipalities setting out its activities for the preceding year.	257, Municipal Government Act
June 30	An application for registration as a municipal auditor shall be filed with the Minister of Service Nova Scotia and Municipal Relations on or before June 30 in each year. The Minister may accept an application after June 30, but it must be received prior to December 31, and an additional fee will be charged.	457(4), (6) Municipal Government Act

July		
Date	**Item**	**Reference**
July	Second instalment of equalization grants to municipalities paid by the Province.	19, 20(4) Municipal Grants Act
July 1	The annual public meeting of the electors of the Village shall be held on or before the first day of July in each fiscal year.	413, Municipal Government Act
July 1	Every school board for each fiscal year shall prepare financial statements in the form prescribed by the Minister of Education and submit the statements to each municipality in the school district before July 1 of the ensuing fiscal year.	83, Education Act
July 31	The municipal auditor's report shall be filed with the council and the Minister of Housing and Municipal Affairs by July 31.	42(4), Municipal Government Act 5020, Accounting Manual
July 31	The registration as a Municipal Auditor expires on July 31 in each year.	457(8), Municipal Government Act
July 31	The school academic year ends on July 31.	71(1) Education Act

August		
Date	**Item**	**Reference**
August 1	The school academic year begins on August 1.	71(1) Education Act

October		
Date	**Item**	**Reference**
October	Third instalment of equalization grants to municipalities paid by the Province.	19, 20(4) Municipal Grants Act

November		
Date	**Item**	**Reference**
November 1	Every municipal council shall for each fiscal year prepare a budget for the capital program for the construction, improvement and alteration of school buildings and submit the budget to the Minister of Education before the first day of November preceding the fiscal year.	6(1), Education Assistance Act
November 15	Municipal Units should forward all address changes to their Assessment Offices so that they may be reflected in the filed assessment roll.	N/A

December		
Date	**Item**	**Reference**
December 1	The filed assessment roll shall reflect the state of the property as it existed on the first day of December immediately preceding the filing of the roll.	52(2), Assessment Act
1st week of December	Assessment Office deadline for entering data for the assessment roll.	N/A
December	Proposed Uniform Assessment to be used for the following fiscal year is sent out by Service Nova Scotia and Municipal Relations, municipalities have a 60 day appeal period.	14, Municipal Grants Act
December 31	Last day for late filing of the Municipal Auditor.	457(6) Municipal Government Act
December 31	On or before December 31 in each year the Director of Assessment shall complete the roll and forward it to the Municipal Clerk (unless the Minister of Service Nova Scotia and Municipal Relations on or before December 31 extends the time to no later than the following March 31, Section 52(3)).	52(1), Assessment Act

December		
Date	**Item**	**Reference**
December 31	Before the end of every year, in 2006 and every year thereafter, the council shall conduct a survey of the polling districts and number of councillors and apply to the Nova Scotia Utility and Review Board to confirm or alter the polling districts or number of councillors	369, Municipal Government Act
December 31	Before the end of the year in 2007 and every eighth year thereafter, every school board shall apply to the Nova Scotia Utility and Review Board to confirm or alter the electoral districts.	43, Education Act
December 31	Unless otherwise ordered by the Nova Scotia Utility and Review Board, all accounts kept by a public utility shall be closed on December 31 in each year and a balance sheet of that date shall be completed.	50(1) Act to Regulate Public Utilities

Miscellaneous activities
for the Chief Administrative Officer, Municipal Clerk and Treasurer
(except those listed in the Municipal Government Act
and the Municipal Elections Act)

This listing of activities would be of interest to most Chief Administrative Officers, Municipal Clerks and Treasurers. It does not include those listed in the Municipal Government Act or the Municipal Elections Act. Primarily, the MGA Resource Binder provides the details required for the CAO, Municipal Clerk and Treasurer and the Service Nova Scotia and Municipal Relations provides the guide to Municipal Elections for each year when there is Municipal and School Board Elections.

The items listed includes those activities specified in other statutes that would be of interest. Although every effort has been made to identify the major or generic activities that would be important to most CAOs, Municipal Clerks and Treasures, the user is cautioned that not all situations have been covered. In addition, the preparation of this guide must necessarily involve interpretation of legislation as it applies in general situations. Specific situations may require careful legal analysis. Therefore, reference should be made to the appropriate Nova Scotia statutes and to legal advisors.

Miscellaneous activities
for the Municipal Clerk
(except the Municipal Government Act
and the Municipal Elections Act)

Topic	Item	Act
Assessment Appeal Court	The clerk on behalf of the municipality may appeal to the Nova Scotia Utility and Review Board any decision of the assessment appeal court.	85, Assessment Act
Assessment Appeal Court	The court shall cause notice of the date, hour and place of its sittings to be given to the Director and to the clerk of the municipality whose assessments are being appealed not later than twelve days before the date of the sitting.	60(3), Assessment Act

Miscellaneous activities for the Municipal Clerk (except the Municipal Government Act and the Municipal Elections Act)		
Topic	**Item**	**Act**
Assessment Exemption to property taxes for fire fighting	The following property is exempt from taxes, where the building or part thereof in which equipment not owned by a municipality, used or to be used exclusively for fighting fires, is kept and the land in connection with such building, but only if and while a written undertaking by the owners is in force and is on file in the office of the clerk of the municipality, undertaking that it will be so used, which undertaking may be subject to cancellation on six months notice in writing.	5(1)(i), Assessment Act
Assessment: notice of appeal	The clerk, on behalf of the municipality, may appeal by serving notice of appeal, within thirty days from the day when notice of the decision was received, on the person in whose name the property is assessed, the person who appealed the assessment if he is not that person and the Director, and by filing a copy of the notice of appeal with the Clerk of the Nova Scotia Utility and Review Board.	86(2), Assessment Act
Assessment: property location	Property shall be assessed in the municipality in which it is located on the day of forwarding the assessment roll to the clerk.	30(1), Assessment Act
Assessment: report to Council	When the assessment roll has been passed by the court and certified by the clerk, he or she shall report these facts to the council at its next regular meeting.	92, Assessment Act
Assessment: Subpoenas and witnesses	Subpoenas may be issued for the attendance of witnesses before the court and they shall be in Form D in the Schedule and may be signed by the clerk of any municipal unit the assessment of which is under appeal or by any member of the regional assessment appeal court or the recorder.	67(1), Assessment Act

Miscellaneous activities for the Municipal Clerk (except the Municipal Government Act and the Municipal Elections Act)		
Topic	**Item**	**Act**
Education: financial statement	The Minister of Education and school board shall in each fiscal year provide each municipality with the amount of payments it is to make to the school board.	73 to 76, Education Act
Education: payment by Minister of Education to municipality	The Minister of Education shall pay annually to each municipality the sums required by the municipality in that fiscal year to pay interest and repay the principal of sums borrowed by the municipality for the purposes of erecting, acquiring, purchasing, altering, adding to, improving, furnishing or equipping buildings for public schools or acquiring land therefor.	78, Education Act
Emergency Measures	A municipality shall establish and maintain a municipal emergency by-law and municipal emergency measures organization.	10, Emergency Measures Act
Jury Committee	Each municipal council shall appoint a person to represent the municipal unit on the jury committee for the jury district in which the municipal unit is located.	6(2), Juries Act
Shopping Centre Development: approval	When a municipal planning strategy is not in effect, a shopping centre may not be constructed without a hearing and approval from the Nova Scotia Utility and Review Board. All clerks of every municipality within a radius of fifty miles of the proposed shopping centre shall receive a notice of the application and the public hearing. (This does not apply to shopping centres located in the Halifax Regional Municipality.)	3, 5, 10 and 11, Shopping Centre Development Act

Miscellaneous activities for the Municipal Clerk (except the Municipal Government Act and the Municipal Elections Act)		
Topic	**Item**	**Act**
Shopping Centre Development: appeals	A municipality, within the fifty mile radius of the proposed shopping centre, may within thirty days of the publication of the notice of the decision appeal the decision to the Nova Scotia Utility and Review Board. Except where the shopping centre is to be located in the Halifax Regional Municipality.	10 and 11(4), Shopping Centre Development Act
Utilities: placement of utilities	A public utility shall make an application to the clerk for council's consent to erect or place in, upon, along, under or across any street, road or highway, any pole, wire, conduit or pipe.	78, Public Utilities Act

Section 2.2

Records Management

Records Management is an integral component to a municipality s operation.

In section 34 of the *Municipal Government Act,* there is a provision for council to adopt a policy regarding the management and destruction of records. As municipalities increase in size and the complexity of services they provide increases, a proper records management system becomes an integral part of the municipal operation. Quite simply, a municipality's ability to effectively conduct business may be compromised without: a systematic approach to the cataloguing, filing and retrieval of files; the protection of files from premature destruction; the safe and secure storage of files; and a system for the destruction of files once their value ceases.

Why Records Management is important.

Generally there are a variety of reasons for the implementation of a records management program, including:

- **Administrative Value:** Records serve the municipality as the "official memory" of past decisions and the factors considered to reach a decision. They have value to the municipality if they assist in the performance of current or future activities.

- **Legal Value:**. Some documents are required by legislation, for example by-laws, policies, minutes of meetings, land transactions, and development agreements. The value of these types of documents usually does not diminish over a period of time

- **Fiscal Value:** Some records relate to financial transactions, such as financial ledgers, debenture records, audit files, budget files, expenditure files, taxes etc.

- **Research/Historical Value:** Records which contain information on persons, places and events as they relate to major milestones and history and development of the municipality and its citizens. These documents provide information on how a municipality made decisions and provide the background to making future informed decisions on any municipal matter.

- **Freedom of Information and Protection of Privacy (FOIPOP):** Part XX of the *Municipal Government Act*, requires that certain municipal information be available within 30 days of a request. Therefore, there must be a system in place to be able to locate these files in the allotted time.

Therefore a Records Management system has become more of a necessity for a municipality rather than a luxury.

AMA Records Management Manual

In 1997, the Association of Municipal Administrators produced the ***Records Management Manual***, which combines a standard classification system and records retention and disposal schedule for municipal records. This 669 page manual provides a standard for the identification and management of administrative and operational records regardless of the physical storage format, including executive and legislative records. Accordingly, any municipality considering a records management system should review the AMA ***Records Management Manual***.

Introduction to Records Management

This review on records management should be considered as an adjunct to the AMA manual, and provides:

A. a review of the MGA provisions on records management;

B. a step by step approach to records management;

C. a model policy for records management; and

D. a reprint of the ***AMA Records & Information Guide***, which provides guidance on how to implement the ***Records Management Manual***.

Schools in Library studies.

A number of municipalities have hired students and graduates from recognized schools in library studies to assist them in the planning and implementation of a records management program. The following provides a listing of the schools in Nova Scotia and contacts for recent graduates or summer students.

Nova Scotia Community College
Library Technician Program
Marlene Mortimore
Phone: 902-491-4660
E-mail: mortimmj@nscc.ns.ca
College
Web site: http://www.nscc.ns.ca

Mount Saint Vincent University
Co-operative Education Program
Bachelor of Applied Arts - Information Technology
Sonya Horsburgh
Phone: 902-457-6429
E-mail: sonya.horsburgh@msvu.ca
University
Web site: http://www.msvu.ca/coop/index.htm

Dalhousie University
School of Library and Information Studies
Judy Dunn, Graduate Co-ordinator
Phone: 902-494-2471
E-mail: dunn@is.dal.ca
University
Web site: http://www.mgmt.dal.ca/slis/

Part A

Municipal Government Act

Section 34 of the MGA states:

MGA Provision on Records Management

34 (1) The council may adopt a policy for the management and destruction of records.

(2) Records that are required by an enactment to be kept and minutes, by-laws, policies and resolutions of the council shall not be destroyed.

(3) The council may, by policy, specify further classes of records that are not to be destroyed or that are to be kept for specified time periods.

(4) Where

(a) a municipal record is destroyed; or

(b) an original municipal record is not produced in court, and

(c) the clerk certifies that a reproduction is part of the records of the municipality and is a true reproduction of the original municipal record,

a photographic, photostatic or electronic reproduction of the record is admissible in evidence to the same extent as the original municipal record and is, in the absence of proof to the contrary, proof of the record.

This provision in the MGA enables councils to adopt the necessary policy for records management and the destruction of records once their value ceases. It also prevents certain records from being destroyed (34(2)) as does 483(4) of the MGA:

483(4) Where a municipality uses an individual s personal information to make a decision that directly affects the individual, the municipality shall retain that information for at least one year after using it so the individual has a reasonable opportunity to access it.

Part B

Step-By-Step Approach to Records Management

If a municipality wishes to proceed with implementing a records management system, the following provides the eight steps to implementing a records management program in a municipal unit.

Step 1 — **Develop Records Management Plan and Policy**

- Develop a plan, determine goals, and set objectives for the establishment of a records management program
- Use sample policy provided
- Policy helps ensure senior management support (seek council approval)

Step 2 — **Establish Authority and Responsibility**

- Seek approval to establish program
- Determine legislative, legal, and policy requirements (regarding record retention)
- Announce the establishment of the program

Step 3 — **Conduct a Records Inventory**

- Use provided sample form or something similar that will work for your municipal unit (there is also a sample form in the ***AMA Records Management Manual*** on page 459)
- Collect all forms together for Records Management Designate to then determine records series, record values, and recommended retention

Step 4

Develop a Classification System and Retention Schedule

the steps for developing a classification system and retention schedule are listed below, but the AMA Records Management Manual already provides this for municipal unit use — you may want to establish a committee or working group to ensure that retentions meet your municipal unit's needs

- Establish a committee/work group to develop classification system and retention schedule
- Consider record values (transitory, administrative, operational, legal, audit/fiscal/ historical/archival, long-term operational needs, etc...) and when to determine retention periods
- Ensure compliance with legislation (Municipal Government Act - Part XX, Revenue Canada Act, etc.), and municipal unit policies
- Submit schedule for approval

Step 5

Ensure Efficient Information Retrieval

- Determine best arrangement for records in each location or area
- Create electronic file lists
- Develop an indexing system

Step 6

Implement file Controls

(there are file arrangement guidelines on pages 469 to 494 of the ***AMA Records Management Manual)***

- Cross reference related files to one another
- Use file charge out cards/guides

- Establish a file tracking system
- Split large files into volumes
- Keep track of what is destroyed and when it was destroyed and what authority

Step 7

Commence Records Disposition

- Ensure authority for disposal by using a disposal authorization form, and attaining sign-off from appropriate municipal unit officials (sample form on page 589 of the ***AMA Records Management Manual)***
- Follow retention schedule and destroy only when retention period expires
- Provide for permanent preservation of historical, archival, or long-term records

Step 8

Future Program Goals

- Establish records disposal and other companion guidelines, procedures, and instruction to complete the program
- Ongoing training of staff
- Promote and communicate the program
- Determine essential/vital records and develop a disaster recovery plan
- Update procedures, policies, schedule as required

Records Inventory Form	
Record Type	**File or System Name:**
Accountable Staff:	**Department/Office:**
Specific Location:	**Copy in Another Location (Yes/No):**
Administrative or Operational:	**Record Value:**
Recommended Retention Period:	**Related Legislation or Policy: (If known)**
Medium/Formats(s):	**Date Range:**
Physical Condition:	**Ease of Accessibility:**
Estimated Volume:	**Personal Information: (If known)**
Security in Place:	**Security Required:**
Inventoried By: **Date Inventoried:**	

Part C

DRAFT RECORDS MANAGEMENT POLICY FOR MUNICIPAL UNITS

The following draft policy may be adopted as provided, or it can provide a starting point for a municipality to craft a records management policy which best suits their needs.

Policy should include a **SCOPE** note:

1. **SCOPE**

Which municipal departments are affected by this policy?

1.1 This policy is applicable throughout the municipal unit, including all departments in the municipal unit falling under the authority of the (Municipal Clerk/CAO), and throughout all of the municipal unit's agencies, boards and commissions.

Policy should include a **PURPOSE** statement:

2. **PURPOSE**

Management and Control of records

2.1 To establish effective management control and administration over the receipt, creation, use, maintenance, storage, and ultimate disposition of all information, regardless of format, and to do so in a flexible manner that is user-friendly and tailored to meet user needs.

FOIPOP

2.2 To support compliance with the *Municipal Government Act, Part XX Freedom of Information and Protection of Privacy* and the Revenue *Canada Act*, and any other relevant legislation.

Responsibilities and Accountability

2.3 To designate responsibilities and accountability for the management of municipal information, regardless of format.

Policy should include a **POLICY STATEMENT**:

3. **POLICY STATEMENT**

AMA Records Management Manual

3.1 It is the policy of the municipal unit to create, classify, maintain, access, retrieve, store, destroy, and preserve information resources throughout their life cycle according to the standards and procedures prescribed under the Association of Municipal Administrators Records Management Manual.

Purpose of policy

3.2 It is the policy of the municipal unit to manage information resources as a valuable asset for the following purposes:

3.2.1 supporting effective decision making;
3.2.2 meeting operational requirements;
3.2.3 ensuring the widest possible use of information resources within the municipal unit;
3.2.4 protecting the legal, financial, and other interests of the municipal unit, and the public; and
3.2.5 restricting access according to the Nova Scotia *Municipal Government Act, Part XX Freedom of Information and Protection of Privacy,* and other relevant policies and legislation.

Identify and Preserve Information

3.3 It is the policy of the municipal unit to identify and preserve information resources that serve to reconstruct the evolution of policy and program decisions or that have archival value. It is also the policy of the municipal unit to ensure that such information is organized in a manner to be readily available for the study of decision making in the municipal unit and for other research purposes which help explain the historical role of the municipal unit.

Current and Future Information Technology

3.4 It is the policy of the municipal unit to ensure that records management functions are incorporated into existing and future information technology applications.

FOIPOP

3.5 To facilitate an efficient records management and retrieval system, it is the policy of the municipality to eliminate the unnecessary collection of information by maintaining only records which are pertinent to the operational requirements of the municipality, coordinating information collection to avoid duplication, and to ensure that the collection of personal information is in accordance with the Nova Scotia *Municipal Government Act, Part XX, Freedom of Information and Protection of Privacy.*

3.6 It is the policy of the municipal unit to ensure that all information resources, regardless of format, are subject to timely public access according to the provisions and limitations of the Nova Scotia *Municipal Government Act, Part XX, Freedom of Information and Protection of Privacy.*

4. ADOPTION OF CLASSIFICATION AND RETENTION SCHEDULE

Approved System

4.1 The municipal unit in accordance with the Nova Scotia *Municipal Government Act* adopts the Association of Municipal Administrators Records Management Manual as its approved classification system and records retention schedule.

5. DESTRUCTION OF RECORDS

Minutes, By-laws, Policies and Resolutions

5.1 The Municipal Unit will not destroy minutes, by-laws, policies and resolutions of council in accordance with Section 34 of the Nova Scotia *Municipal Government Act.*

Part D

AMA Records & Information Guide

The AMA **Records Management Manual** was developed in 1997. It is a 669 page manual providing the details necessary to implement a standard classification and records management system across Nova Scotia. A copy of this manual was distributed to all municipal units. If additional copies are required, please contact:

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*The following guide was produced by the 1997 Records Management Committee as an introduction to records management and how to implement the **AMA Records Management Manual**. The contents of this report are still relevant and are provided in its entirety.*

Association of Municipal Administrators
Nova Scotia

Records and Information Management Guide
for Nova Scotia Municipal Units

(Note: The following document was prepared by the AMA Records Management Committee in 1997 and it been reprinted by permission from the Association of Municipal Administrators, Nova Scotia)

Introduction

The AMA Records Management Committee was established to give municipal officers direction and assistance in the management of records. Its terms of reference were to establish:

- guidelines for records management

- a standard records classification system for municipal unit records
- a records retention and disposition schedule for municipal unit records

The AMA members have access to the Records Management Manual which combines a standard records classification system and a records retention and disposition schedule for municipal unit records. The RM manual is a standard for the identification and management of administrative and operational records regardless of physical storage format, including executive and legislative records.

Training sessions for the introduction of the basic concepts of a records management program and to the RM manual have been offered to the municipal units of Nova Scotia.

At this point municipal units are asking questions about the practical steps to implement an effective records management program. The task to identify, classify, organize, and maintain information holdings through its disposition is not simple and should not be underestimated.

The following information is intended as a practical guide to assist municipal units to have an understanding of the various aspects of the implementation of a sound records management program.

It is important to understand that a records management program is more than a filing project. A project has a specific start and finish date with a short-term achievable goal. A records management program is a process which must contain a plan of action describing various phases of development and implementation, includes a number of projects, and is ongoing as long as the municipal unit actively fulfills its mandate.

A records management program ensures the care and preservation of important records and the destruction of unnecessary records. It is the systematic control of records from creation to final disposition. This systematic approach to the control of all phases of a record's life is essential if a municipal unit is to:

- reduce paperwork proliferation
- have access to requested information

- dispose of obsolete records
- provide documentation of compliance with municipal, provincial and federal regulations, and
- maintain archival records

Inadequate records management may lead to obsolete records being retained which would create an unnecessary and costly storage burden.

Many municipal units with no records management are forced to move older records from crowded offices into storage in attics, basements, and storage rooms where no list of records is kept and, after a while, no one knows what records are there. In addition, extreme fluctuations in temperature and humidity and dust may break down the records stored in these storage areas.

In essence, poor records management results in a loss to tax payers and loss of the corporate memory of the municipal unit.

Records and Information Management (RIM) Guide

How to begin a records management program?

Municipal units without a records management (RM) program face space shortages, loss of information and inability to retrieve documents. When the decision to establish a RM program is made, it is important to identify records management priorities and to determine which elements of a program to undertake first.

This guide lists important elements to be considered when developing a records management program which will utilize the RM manual developed by AMA.

Records Manager and Support Staff

Identification of a records management coordinator or records manager to take responsibility to plan and lead the program. Adequate support staff provides assistance to all municipal unit staff in the various facets of a comprehensive program.

Users Group

AMA has already established a forum for network for its members with specific activities which are important to use as a means for discussion and exchange of experiences related to records management:

- AMA conference (organized twice a year)
- a published newsletter
- regional meetings

It is recommended that each municipal unit establish an internal communication strategy with identified assignment of responsibilities. Each municipal unit is unique and shares a set of common issues and routine administrative tasks. The records management program should establish a management network with the participation of:

- a legal advisor
- a senior financial officer
- the municipal / town clerk

Development of Records Management Policy

The RM policy should be easy to read and include information about the scope of the records management program. It should be established by bylaw or administrative order and be communicated to the office managers and employees. The policy is not a static document and should be reviewed at least every two years.

- approved policy reinforces the principle that the records management program applies to all types of records regardless of form
- policy is a complement to the RM manual and documents the decision to adopt the use of the RM manual as a records classification system and as a retention schedule

- the policy should focus on:
  - identification of relevant main groups and primaries
  - grouping information into categories by function and office
  - classifying information from the general to the specific
  - assigning accountability for records custodians and office of primary responsibility (OPR)
  - if the system will be centralized or decentralized or a combination of both
  - including the control of:
    - e-mail
    - correspondence tracking
    - reports management
    - forms management
    - filing system
    - access and privacy considerations
    - essential / vital records
    - disaster and recovery plan

Records Management Plan

Municipal units without an existing RM program will have a variety of records management issues to resolve and a plan is needed to determine the municipal unit's information priorities. Continuous monitoring and maintenance of all phases will ensure that the right information is provided to the right individual at the right time in the right format at the lowest possible cost. The RM plan should list:

- phases of program implementation;
- give time frame and dates expected for completion of tasks including the time expected to develop and approve the RM policy;

- describe ongoing activities and progress to-date;
- pilot project;
- training;
- network;
- specific projects (like clean up of 'fat' files);
- strategy for conversion from the old system into the new system

Legislative and Legal Requirements

Acts, regulations, and bylaws make reference to primary functions of the programs and services they establish and sometimes describe specific requirements. It is important to review any legal and legislative requirements with the municipal unit's solicitor, financial officer and municipal / town clerk at the time of:

- drafting the RM policy;
- planning for the implementation;
- customizing the classification and retention / disposition plans for the municipal unit.

Use of the RM Manual

The RM manual was developed as a tool for any type or size of municipal unit. With the broad perspective in mind when reviewing the descriptions of administrative and operational functions, it might be necessary to add records series which are absent from the manual.

- The RM manual is intended as a standard template covering records description and classification from the general to the specific.
- It is recommended that each municipal unit focus on

relevant main groups and primaries needed as opposed to making the entire manual available to everyone.

- The size of the manual may intimidate some of the users who only need specific primaries.

- It is recommended to try to group the municipal unit's functions and offices into categories first and then review the main groups which describe those categories.

- Users who only deal with a specific group of records might only receive a copy of the main groups which are directly related to their specific office. However, they should understand that different functions would also be described in the manual as a whole. This is primarily important with workers that do not have a good understanding of the classification system and are not interested in the complete picture.

- The system should be used with flexibility.

Pilot Project

Before implementing any new system, a pilot project is always recommended. A RM program is no exception and a small office should be chosen for a pilot project of the new records system. The pilot would be used to fully learn the implications, test the planned strategy, write a report of results before full implementation is carried to the rest of the municipal unit.

The choosing of the office for a pilot is very important. Some factors to look for are:

- willingness of staff involved in carrying out the task;

- agreement to test a new system and a full understanding of the implications of that;

- commitment from management and support from staff;

- an office of influence in decision making is preferred;

- commitment to the program implementation as a whole as the pilot will be first to carry on;
- willingness to provide feedback and support for the entire program;
- whether the office has an existing inventory of their files (if a willing office has a file list under the present system this would reduce the time for the inventory and allow a quicker review of the present system)

A review of the present system in the municipal unit as a whole is recommended. This would give an idea of:

- how many offices there are;
- whether all the offices follow one common system;
- whether each office or staff have their own system;
- whether the present system is centralized or decentralized;
- good/ positive points of the present system which should be maintained;
- problem areas which need review need to be analysed in detail;
- whether the office has a manual system or an electronic system or a combination of both;
- whether there is microfilming being done;
- what is the quality of the film and what information does it cover;
- whether there are records stored offsite, in an organized manner or just piles of boxes

A plan should be developed for the pilot project containing:

- the starting date of the pilot;
- the time for the pilot to take place;
- the office or division which the pilot should cover and the records or information to be covered;
- who is involved directly and indirectly at what phase of the pilot;
- how can the old system (or no system) be converted into the new system;
- electronic information if used in the office;
- all the software packages available to staff for the day-to-day activities;
- a list of procedures being used in the office;
- whether a new set of procedures (or updates to the old one) shall be developed during the pilot;
- who will be responsible for the procedures, and other aspects of the pilot project

Staff meetings

All staff of the municipal unit should be briefed on how the RM program is planned and how it will be implemented, including general information about how the pilot project fits the whole activity. If staff is not involved at the early stages of the program, many problems occur as a result -- some feel threatened, intimidated, skeptical of their job security, that they will be given increased workload, etc. Good communication is fundamental for the full implementation success at all times, within the municipal unit as well as, within the smaller pilot areas involved.

Updates

A bulletin might be issued at regular intervals updating the staff of the plan, how it has been followed, etc. Training in-house should be coordinated with the pilot office/s.

Training

A coordinated approach to training is recommended. The staff directly involved in the pilot and with hands-on in the implementation process should receive introductory training session about the new system and be trained on delivering and supporting internal subsequent sessions, tailored to the environment of the municipal unit.

There is a need to provide different types of training:

- introductory sessions with overview of the new system;
- training on the hands-on aspects of the new system (a new filing system;
- how to classify records;
- a new software that needs to be learned;
- how to write procedures;
- review and reinforcement training;
- updating sessions;
- ongoing support training sessions;
- review sessions;
- customization to each type of environment but also at several levels of need depending on the level of involvement of staff.

Other aspects to be considered about training include:

- who is delivering the initial sessions;

- who will be responsible to review and update the text and exercises delivered;
- how much money is available for training;
- location factor;
- supplies needed;
- evaluation of training

Conversion of old system (or no system) into new system

Conversion requires careful planning:

- which areas will implement;
- will it be phased as opposed to changing everything at once and its implications should be analysed. It is recommended to move from office to office in a phased approach;
- establish phases and evaluation at the completion of every phase with recommendations before proceeding;
- learn the system by using it for new information as it is created (e.g. starting in the new calendar year or fiscal year every record created or received by the office will be classified and filed in the new system);
- old records/files should be incorporated into the new system as they are retrieved and accessed for the daily running of the office;
- the new information should be classified and filed under the new system then a plan would be developed for the semi-active records store in the office;
- an evaluation and decision is needed for who and how will the conversion be done to semi-active records

stored offsite;

- two systems will need to run simultaneously for a period of time therefore it is fundamental to be able to have the two systems working together (for example, if records are stored at a records centre using the old classification numbers, the lists will need the old number converted to the new number so that retrieval can be done using both systems until the old system is totally discontinued.);

- records eligible for destruction under the old system and their destruction should be documented;

- existing files need to be reviewed to determine whether they should be handled according to existing system or classified under the new system and decisions should be documented;

- whether some of the material classified under the old system might require to be broken down into several new numbers or several old numbers might be grouped into one single new number.

- The semi-active and active records maintained in the office kept under the old system may:

  1. be converted into the new system as access and retrieval occurs if required for long term use;

  2. be disposed of under the old system if possible avoiding the conversion altogether whenever possible.

- The use of students and casual / contract workers may be feasible for the conversion of existing records.

- Proper training and supervision of new staff is required.

- The use of a new system requires the acceptance of its implementation by everyone in the office (there are a number of staff who will accept the new system up-front and there are those who will not accept to convert to the

unfamiliar system.) This is why open communication and the approval of policy are required.

Management of Inactive Records

The conversion of inactive records is an area which may be done by contract or students with records management training under a co-op program from a local university. Summer students may be used for this phase of the process under proper coordination and supervision.
The disposition of inactive records should be addressed as a separate phase of the implementation process:

- Records with archival value need to be appraised by and transferred to the municipal unit's designated archival repository;
- inactive records with long term value need to be converted into the new system and kept for the time specified under the new retention schedule;
- inactive records due for destruction should be destroyed under the old system whenever possible or converted into the new retention schedule and properly disposed of

Essential vital records

Municipal units are advised to identify their essential records during the development of their RM program.

For information about essential / vital records see page 607, glossary in appendix H of the RM manual.

Disaster and Recovery Plan

If the municipal unit has a disaster and recovery plan, it is a good idea to review how it is set up and what changes are required to make it valid under the new RM system. If there is not previous plan, then a plan needs to be drafted covering the information evaluated as

essential, with procedures developed for urgent situations. This usually contains a list of people names, addresses, locations, sensitive issues and information will be handled in special ways and by specific people and this should be listed, what alternative location for work during the disaster, numbers of emergency organizations to be contacted for help, etc.

Federal, provincial and local governments usually have designated offices that are trained to handle emergency situations and they should be contacted. Procedures would already be in place for these emergency organizations and they should be consulted as much as possible. Many of these emergency agencies have home pages available through the Internet for initial review.

Sharing and Networking

It makes sense to share experience among municipal units and also gain from sharing of already established services whenever possible, like using standing offers already in place by other levels of government in purchasing new equipment, supplies, software, etc.

Destruction of Inactive or Obsolete Information

Consideration is needed for issues relating to the recycling of paper or other media containing private or confidential information. The review of methods of destruction and factors also require consideration (e.g. unauthorized destruction versus secure shredding.)

Software and Electronic Document / Records Management Systems

System integration and compatibility is fundamental for long-term planning. Before the purchase of any system it is important to consider its compatibility with other systems already in use by other municipal units, provincial and other levels of government and local organizations. It provides the opportunity to improve communication and network of electronic systems whenever possible (specially in this day and age of amalgamations and re-structuring).

Resources

Networking and sharing expertise and experience in developing RM program is fundamental among the Nova Scotia municipal units for a greater success of the proposed program. It is important to make use of available resources outside the municipal unit and to review ways to allow for sharing of resources.

The Municipality of the District of East Hants has hired a consultant to establish a RM program. The project will be completed by mid May 1997 and the results of their pilot will be made available as reference to other units.

The Halifax Regional Municipality (HRM) is developing their RM program and have agreed to share their experience and expertise with the members of the RM Committee.

There are a number of universities and community colleges in Nova Scotia which teach records management and have students that may be used in various projects during co-op programs, summer jobs, and other endeavours. These students have a theoretical view of the RM field and need the practical experience; the municipal units need the hands-on assistance.

Professional Associations is another form of resources which municipal units should use:

- IIMC (International Institute of Municipal Clerks);
- Association of Municipal Clerks and Treasurers of Ontario;
- Association for Records Managers and Administrators (ARMA) has a local chapter (Halifax Chapter of ARMA) offering a number of events and program sessions which may assist the training of staff;
- CLARA (Canadian Legislative and Regulatory Affairs Committee of ARMA);
- ACA (Association of Canadian Archivists);
- CNSA (Council of Nova Scotia Archives);

- CIPS (Canadian Information Processing Society)

These organizations also hold conferences and seminars, publish newsletters, provide forum for network and sharing, and for professional development.

The use of Internet is another way to share information. HRM and Cape Breton municipal units already have home pages and use the www to search for information around the world. This together with e-mail, listserv, electronic bulletin boards, are just some examples of what may be explored as another way to improve communications and network among municipal units.

Development of specific procedures and guidelines

The RM manual is just one of the tools available during the implementation of a sound RM program. Each municipal unit is responsible to document details of procedures and have written guidelines for their users to consult and follow.

The documentation of the process of implementation is important for any municipal unit. Evaluation of each aspect and phase of implementation is also important to assist the review of the program as is established and for ongoing maintenance and improvements.

Promotion and Communications Plan

The promotion of RM program is ongoing and may be achieved by communicating the benefits and opportunities which the RM program may bring to the municipal unit.

List of Check-points

The AMA RM Committee plans to develop a series of check lists to assist municipal units in implementing and reviewing their RM system.

Section 3.1

Revenues

Introduction

To increase taxes or not to increase taxes, that is the question?

Local governments across Nova Scotia, Canada and the United States are experiencing a common problem with the reduction of grant revenues at the same time that they are facing increasing responsibilities and expectations from their citizens. While spending reductions can be part of the solution, that is not always the public's preferred path. Furthermore, municipalities are reluctant to increase their traditional source of revenue, property taxes, to cover for these increased demands. Significant property tax increases can also encourage a shift in economic and residential development to another municipality. Consequently, there has been a greater interest in looking at alternative revenue sources or methods of delivering the municipal services.

There are a variety of options for municipalities to increase revenues.

The goal of this section is to provide decision makers with a greater perspective on what options are available to maximize revenue resources. This is not to imply that there is a series of revenue sources available to municipalities which will supplant property taxation as the main source of revenue. Rather, it should be viewed as a means of complementing the existing and traditional sources of revenue. Increasingly, these alternative sources of revenue and delivery of municipal service will mean the difference between maintaining municipal programs, reducing them or even eliminating them.

This paper is divided into three parts:

A. Traditional Sources of Revenue
B. Alternative Revenue Sources
C. Cash Management

The first provides a basis for a municipality to review the existing situation prior to examining alternative sources of revenue. The goal of this review is quite simple and answers basic questions:

- What are the traditional sources of revenue for municipalities?

- Is the municipality taking advantage of all existing sources of revenue?
- Is the municipality spending its money effectively?
- Should each service the municipality provides be maintained, increased, decreased or discontinued?

In answering these questions and taking the necessary steps to rectify any overlooked sources of revenue or streamlining municipal services, a municipality may find the financial challenge is more manageable.

The second part, alternative revenue sources, provides a review of alternatives utilized in other North American municipalities to increasing revenue sources.

The *Municipal Government Act* provides all the authority for traditional and non-traditional sources of revenue.

The third part reviews cash management techniques to increase investment incomes and/or decrease overdraft charges.

A. Traditional Sources of Revenue

Municipal Government Act

The MGA sets parameters for municipal revenue sources.

The first step in examining revenue sources is to determine if the municipality is taking full advantage of the traditional sources of revenue. The Municipal Government Act specifies what revenue sources are available for municipalities to raise funds. Appendix 3.1.A, (at the end of this section) provides a brief review of the potential sources available to municipalities. For the full legislative provisions, please refer directly to the Municipal Government Act.

By and large the charts in Appendix 3.1.A are self-explanatory and it is not the intention of this section to provide a detailed analysis of each. Rather, the point is to demonstrate that a range of revenue sources is available to the municipalities. These fall into the broad categories of:

- Taxes
- Fees and Charges
- Penalties and Fines
- Grants and Transfers

In addition, there are a number of Information Bulletins in the **Municipal Government Act Resource Guide** which are related to revenue sources, these include:

- #9, Minimum Tax
- #14, Area Rates
- #22, Planning Fees and Expenses
- #26, Infrastructure Charges
- #31, Fire Protection Rates
- #32, Revenue Sharing
- #33, Municipal Property: Transfer and Sale
- #34, Urban, Rural and Suburban Tax Rates
- #35, Tax Billing and Interest Calculation
- #36, Recovery of Cost Incurred
- #39, Reserve Funds
- #40, Special Purpose Tax Accounts

Municipal Accounting and Reporting Manual

Categories of Revenue Sources

The Municipal Accounting and Reporting Manual provides another good listing of potential revenue sources available to municipalities. This manual provides greater detail in the breakdown of various taxes, as well as sources which are beyond the scope of the *Municipal Government Act* (e.g., federal grants and transfers in lieu of taxes). Appendix 3.1.B summarizes the categories for municipal revenues.

The Municipal Accounting and Reporting Manual includes the broad categories of:

- Taxes
- Sales of Services
- Services Provided to Other Governments
- Grants in Lieu of Taxes
- Other Revenue From Own Sources

B. Alternative Revenue Sources

MGA provision on fees

Fees are generally intended to recover all or part of the cost of a service. Under Section 172(2)(e)(i) of the MGA, fees can be set for the purpose of raising revenue. If a fee is intended to recover more than the cost of providing a service, in effect making a profit, this is permitted provided a by-law specifically states this.

User Fees

What should be considered in developing user fees?

The use of user fees has increased as an alternative to raising taxes. Although user fees have been in use for an extended period, extending back to the toll roads of earlier days, they are still an underutilized source of revenue. Due to the diversity of municipal services for which there can be a user fee, a universal formula is not realistic. For example, a user fee for waste collection would be quite different from the user fee for swimming lessons, because the factors to consider are so different. Rather than examining a variety of user fee formulas, the purpose of this section is to provide a review of the advantages and disadvantages of user fees and an examination of the principles of user fees. This information provides the tools for any municipality to develop their own user fee formula for each service. The final part of this section, provides a listing of potential municipal services which could have a user fee.

MGA provision

Section 79 of the Municipal Government Act provides the municipality the authority to set user fees by by-law.

Advantages and Disadvantages

Prior to embarking on a whole scale program of user fees for every municipal service, a municipality should understand the ramifications of implementing a user fee program. Such an understanding will temper the final user fee formula and provide the ability to rationalize and explain the need of user fees to the public.

Advantages

Can User Fees be rationalized for a municipality?

- User fees can have the efficiency advantages of private sector pricing, in that they serve to ration the output to those willing to pay and this acts as a signal to the

municipality to the quality and quantity of the output desired.

- It encourages the municipality to be more responsive to the market demands.

- User fees are equitable. Those people using a service pay in proportion to the benefits they receive from it. Those that do not use the service do not subsidize those who do.

- They promote efficiency by discouraging wasteful use of government services.

- User fees can further improve efficiency if they are priced properly. By adjusting prices to reflect peak and off peak use of a municipal service, a municipality can encourage a more rational use of municipal services which can have a direct impact upon operating costs.

- User fees provide a fair degree of flexibility as they can be adjusted quickly to respond to fluctuations on the cost of the service or the level of demand. In comparison, tax rates are set only once a year, therefore, if there was an unforseen increase in costs the municipality does not have the flexibility to increase taxes at anytime. In this situation, the difference would have to be covered under the budget, often at the detriment to another municipal service.

- The costs of any publicly provided private good or service, for which specific beneficiaries can be identified, are recovered through user fees (for example, services such as water, sewage, garbage collection, public transit, recreation). Therefore, those who use the service, pay for the service.

- Customers can make an informed decision on how much of a municipal service to use.

- User fees can be implemented with conditions that the funds be spent on the services for which the charge is levied.

- User fees enable a government to reduce taxes and cause those who actually use the service to pay for it.
- They allow governments to collect money from nonresidents who benefit from services and to ration access to facilities that are used excessively.

Disadvantages

- User fees can become an impediment for the lower or fixed income users to using the service.
- The administration costs could outweigh the benefits of user charges for services which are not widely used (for example, staff and extra computer systems to collect, control and account for the fees).
- It could encourage users to switch to alternative sources of service, thus encouraging an under utilization of the municipal service.
- They are highly visible, which can make them politically unpopular.
- Those who oppose user fees believe municipal property taxes are more equitable than user fees. This is based on the argument that through property taxes the burden is shared equally, whereas user fees can create an unfair burden to a few.

Guiding Principles for User Fees

What are the guiding principles to the development of user fees?

Similar to any municipal endeavor, there is a need for a series of guiding principles or policies to provide guidance to the development of user fee formulas. There are a variety of financial, societal, political, managerial and operational factors to consider. In listing these principles, there will be conflicts between some of them, however, the municipality will have to pick those principles which best fit the needs

of the municipality as it applies to the municipal services. Below, are a number of sample principles which may be considered:

- User fees have to be developed within the context of explicit goals and objectives for the program being charged.

- If a municipal service can be traced to an individual, household or a defined group, then it can be considered a private good and a user fee could be applied (for example: waste collection, water, recreation facilities). Whereas, if the service is not traceable to an individual, household or a defined group, the service would be considered a public good and user fee would not apply (for example: police, fire, roads).

- What portion of the capital and/or operating costs should the user fees cover?
  - the full cost of providing the service, with the goal of making the municipal service self-sustaining for the operational costs;
  - a portion of the operating cost, with the goal of recouping some of the operational costs but not increasing fees to a level which would deter the public from using the service;
  - the difference between the operating costs for the basic service and an enhanced service (for example, the difference between a basic baseball field and one which has all of the amenities and is maintained to a semi-professional level), with the goal of providing a higher level of service for those willing to pay for it;
  - fees in open market, with the goal of not pricing the service out of the market;
  - the operating and depreciation costs of the capital items to provide for their eventual replacement, with the goal of making the municipal service self-sustaining for the operational and capital costs; and
  - set the user fees to enable the municipality to construct other facilities or purchase new equipment, with the goal of providing funds to maintain and expand the municipal service.

- Set the user fees to offset peak usage of systems in order to make a more rational use of the existing facilities, rather than attempting to construct additional municipal facilities to meet peak demand.

- User fees should be accompanied by a set of performance standards and evaluation criteria designed to define and measure the effectiveness and efficiency of the service.
- User fees should be at a level which does not prohibit participation, especially for the lower incomes.
- Should user fees be applied equitably or should they be based on the ability to pay, for example for recreation facilities; should all pay the same price, or should adults pay more to partially subsidize children and youths?
- User fees could be accompanied with a program of Partnership Opportunities to enable community groups who would like to maintain the facilities to do so, rather than the municpality. This would be in lieu of all or a portion of the applicable user fees.
- A user fee system should include an annual review process to examine the fee schedules, operating and capital costs, and user feedback. This will monitor the effectiveness, efficiency and fairness of the program.
- If the goal is to decrease use of the municipal service, the user fees should increase with the amount of consumption.
- If the goal is to encourage or increase the use of the municipal service, the user fees should decrease with the amount of consumption.
- If the user fees are standard, those who use less of the municipal service will subsidize those who use more, for example those who use municipal transit for short trips are subsidizing the cost of those who take longer trips.
- What are the user fees for adjacent municipalities?
- Should the user fees be greater for non-residents of the municipality (for example: recreation facilities and programs, fire protection)?

- User fees could be:
  - a fixed charge that is unrelated to consumption;
  - a charge which varies directly to the quantity consumed;
  - a mix of fixed and variable charges;
  - an average cost pricing, where the total cost of servicing an entire community is aggregated and each customer is charged the average cost of the service.

- The user fee structure should be one which is understandable and rational to the public.

- Will the implementation of a user fee on a particular service result in undesirable behavior (for example: high user fees for garbage collection may result in people dumping their refuse elsewhere; or high recreation user fees may result in greater numbers of youth on the streets rather than in the recreation facility).

Examples of User Fees for Municipal Services

Where can user fees be applied in a municipality?

If there is a municipal service, which is traceable to an identifiable individual, household or group, there is an opportunity for a user fee. Granted, the user fees must meet the requirements of the Municipal Government Act, however, as illustrated in the previous section and in Appendix 3.1.A, there is a wide range of municipal services for which user fees can be applied. The real question rests on what the municipality wishes to include in their user fees.

The following list provides a series of examples of the types of use fees other North American municipal units have employed. They are only provided as an example to provide direction, it is not implied that these are the only sources for user fees, or that these should all be utilized.

Recreation

Athletic Fields	Ice Rinks
Athletic leagues	Recreation classes
Swimming Pools	Tennis Courts
Auditoriums or civic center rental	Boat Harbours
Concession Stands	Equipment Rental
Parks	Public Library Services

Utility Services

Connections	Lateral permits
Septic Tank dumping	Temporary use of hydrants
Temporary use of electricity	Garbage Tipping

Public Works

Curb cuts	Temporary street closures
Temporary Barricades	Abandoned vehicle removal
Sign permits	Sidewalk snow removal
Grass and weed cutting	Tree trimming
Street Cleaning	Solid Waste Collection
Land fill	Large-item solid waste collection

Planning and Economic Development

Plan Amendment	Re-zoning
Minor Variance	Permit processing
Building Plan review	Planning documents
Maps	

Animal Control

Animal Holding	Animal Impoundment
Euthanasia	Tags

Police Protection

Funeral escorts	Special Occasion escorts
Special Events	Serving warrants

Transportation

Airport landings	Bridge Tolls
Bus Fares	Municipal Parking Garages/lots
Parking meters on streets	

Miscellaneous

Billboards on municipal land	Document copying
Document Search	Vending machine space rental
Sidewalk Vendors	Sidewalk cafes

User Fee Equation

As noted earlier, a generic equation for user fees is impractical because each municipal service is influenced by a different set of factors and for each municipal service the determination of an appropriate user fee will be influenced by a different set of guiding principles.

User fee formulas can vary with each municipal service.

Jim McQueen, in his paper, Development of a Model for User Fees- A Model on Policy Development in Creating and Maintaining User Fees for Municipalities, proposed guidelines for a service charge analysis of individual services. This guideline would assist municipalities to identify and document the information to define a user fee for each service. This outline provides a standard format that would facilitate a thorough decision making process. An ad hoc process in the development of user fees through a municipality is not recommended, as there is a lack of consistency in the development and application of the user fees, and it becomes more difficult to justify these user fees to the stakeholders and council.

Standardized approach for the development of each user fee.

The following format is based on McQueen's work:

1. Purpose of Service
   - description of service
   - objectives of service
   - organizational placement
   - alternatives for provision of service

2. Service Demand
   - stakeholder identification
   - current service demand
   - peak-load demand

3. Policy Basis
   - policy assumptions for user fees
   - guiding principles
   - municipality's goals and objectives

4. Legal Review
   - existing legislation
   - authority to adopt or charge fees

5. Cost/Revenue Analysis
   - cost determination (operating and capital)
   - cost allocation
   - revenue determination
   - revenue potential
   - simple to understand user fee formulas

6. Schedule of Charges and Fees
   - surrounding jurisdictions
   - private companies
   - a proposed user fee schedule

7. Billing and Collection System
   - cost to implement and maintain a user fee
   - system design

8. Review Process
   - process for annual review
   - timing of review process
   - public and administration's input

The coordination of the user fees in a municipality should be centralized in the finance department. This would ensure consistency in their application and maintain a corporate perspective in the development of the user fees. If the development and application of user fees follow the above process, their acceptance by the stakeholders is more assured and they should provide the revenues necessary to maintain municipal services at the desired level.

Entrepreneurial Governments

Municipalities can go into business.

In the larger American and Canadian municipalities, there has been a growing trend to venture into the private market as a means to creating revenues. Many of these enterprises are possible due to the size of the municipalities and their corresponding size of assets to draw upon and the markets they serve. These assets include capital goods, equipment, and most important, the staffing skill sets, which are transferable to challenges well beyond public service. Although most municipalities in Nova Scotia do not have these advantages, there are opportunities and potentials for smaller entrepreneurial local governments in Nova Scotia. In each case, however, it is important to ensure adequate legal authority for the municipality's venture, which is not normally entitled to compete with the private sector.

It does require thinking beyond the traditional parameters of what a municipality can do. Public enterprises, however, challenge local governments to accept new roles and to create new structures for customer service and to perform more as a business. This notion of a public enterprise recognizes that there is a "bottom line" in municipal government and apart from creating new revenue sources, has had the impact of fostering more efficient and effective government operations and improving customer service. It is also interesting to note, in many examples where municipal government has gone into public enterprises, they have been able to successfully compete with the private sector, which illustrates the point that not only can the public sector be as effective and efficient as the private sector, it can effectively compete

with the private sector. This can be an important consideration in boosting staff morale in the local government, as well as providing alternative sources of revenue.

Public Businesses (direct involvement in the management and operation a business)

What are the types of business that municipalities could consider?

- **Retail**: the local government in partnership with a retail store or on its own can sell items including:
  - municipal memorabilia (for example, using the municipal crest or significant local historical site or incident on items such as mugs, spoons, wall plaques, etc.)
  - surplus municipal goods (for example, recreational equipment, machinery, park benches, office equipment, parking meters, fire equipment, etc.)
- **Business**: the local government produce a product in a partnerships with the private sector or on its own
  - there are business opportunities, which for a variety or reasons, the private sector has not embraced in all areas of the province; examples of municipal businesses include:
    - methane gas plants from old land fills and sewage treatment plants;
    - compost plants and the sale of material to public or to supplement municipal public works requirements;
- **Services**, the local government in partnership with private business or on its own can provide services, including:
  - advertising kiosks, both electronic (local government website) or on municipal streets, which provides advertising space for local, regional and national businesses

- **Consulting**, the local government uses the assets of their skilled and innovative staff to create and operate business selling this expertise to other governments

    - local government departments, such as information technology, engineering, finance, planning, human resources, training programs could bid on public projects in adjacent municipalities, through inter-municipal agreements

Public Enterprise Guiding Principles

Anita White in her book Alternative Revenue Souces, has provided a series of guiding principles which a municipality should consider prior to embarking upon any entrepreneurial enterprise. These include:

1. Public entrepreneurial enterprises should be pursued in areas where local governments have a distinct competitive advantage, for example, where the municipality has existing assets, resources, expertise, legislative authority, purchasing power in or access to markets which can be sustained for an extended period of time.

2. Social equity and ethics must always be a prime consideration in these endeavors. The municipality must safeguard all citizens and their needs, not just those who have the ability to pay. Any enterprise or action must be able to stand the test of public scrutiny.

3. The notion of entrepreneurial government enterprises requires a shift in thinking on the part of the municipality in terms of service delivery patterns and traditional operations and organizations within the municipality. It requires a willingness and ability for the municipality to change.

4. Entrepreneurial government enterprises will generally be more successful in partnerships with private industry, nonprofit institutions, and others with the technological, marketing or product distribution capacity that complements the municipality's abilities.

C. Cash Management

Cash Management can result in increased investment income and lower overdraft charges.

Cash is a scarce resource which can be managed to provide significant benefit to a municipality. At some point during the year most municipalities have excess cash that is not immediately required. The objective of cash management is to maximize the municipality's cash position. That is to ensure the municipality's cash balances are sufficient to meet its obligations but not so large that the municipality is forgoing investment income. This can lead to increased investment income and/or decreased overdraft charges.

Preparation of a Cash Forecast

A cash flow forecast can be prepared by using spreadsheet software, past year's bank statements and the current year's operating and capital budgets. Cash receipts can be predicted by taking into consideration tax bill due dates, tax sale dates and expected payment dates of transfers from other governments. Cash disbursements can be predicted by using past year's payroll information and pay dates for the coming year, information on transfers to other governments and their due dates, information on Receiver General payments and information on other contractual payments for example debt charges and rental charges.

Improving Cash Flow

How can you improve your cash flow?

Municipalities can look to their policies and procedures to see where they can improve cash flow.

- Does your municipality send out an interim tax bill?
- Is the interest rate on past due taxes high enough to discourage the paying of other bills before the tax bill?
- Does your municipality have a tax sale policy?
- Does your municipality send invoices promptly?
- Does your municipality make daily bank deposits?
- Does your municipality take advantage of all discounts offered on invoices from suppliers?
- Does your municipality hold invoices until the due date or do they pay invoices when received?

Banking Agreement and Investment Policy

When possible municipalities should tender for banking services to get the best possible price for services that are required. Each bank may offer a different package of services but the package will include the amount charged for overdrafts and the rate paid for positive bank balances (usually quoted as prime plus/minus x%).

If your municipality has sufficient funds to invest in short term investment products (for example treasury bills) you should develop an investment policy. An excellent example of an investment policy can be found in the AMA publication *Model Policy Manual for Nova Scotia Municipal Units* - Chapter 11. Working with your banker or an independent investment advisor you can maximize your investment returns while protecting your initial investment.

Your investment of time and effort in cash management can lead to increased revenues and decreased expenditures.

Conclusions

The Municipal Government Act provides municipalities with a variety of sources of revenue, ranging from taxes, fees, charges and fines. The federal and provincial governments provide additional revenues in the form of grants and transfers. In the end, however, municipalities are having to examine alternative sources of revenue to deal with the current fiscal realities. There are a variety of options available for a municipality to increase its revenues. What is required is innovative thinking and the willingness to attempt new programs to supplement the traditional sources of revenue for municipalities.

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Appendix 3.1.A

Review of Revenue Sources in the Municipal Government Act

Taxes		
Type	**MGA**	**Description**
Taxes	3(bz)	definition
Interest Rate for Overdue Taxes	49(1)(a)	council may make policies on setting the interest rate to be charged on overdue taxes (see Bulletin #35)
Residential	73	council may set the residential tax rates for rural, suburban and urban area for residential properties (see Bulletin #34)
Commercial	73	council may set the commercial tax rates for rural, suburban and urban area for commercial properties (see Bulletin #34)
Minimum Tax	74	new authority for most municipalities to set a minimum property tax per dwelling unit (see Information Bulletin #9)
Area Rates	75	area rates may be used to finance all or part of the cost of any municipal service or facility that council deems to benefit an area; the area rate may apply to all taxable property and occupancy assessments or only some of them (see Information Bulletin #14)
Recreational Property	76	the owner of land directly and solely used for the purposes of a non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization or institution shall pay an amount based on per acre, or part of an acre at a rate of five dollars per acre, which shall be increased by 5% per year from 1977, unless altered by the Governor in Council

Taxes		
Type	**MGA**	**Description**
Farm Property	77(1)	farm property exemption and provincial grant of $2.10 per acre (1998-99) and increase by the same percentage as the Consumer Price Index after the fiscal year ending March 31, 2001
Forest Property	78	land used or intended to be used for forestry purposes shall pay twenty-five cents per acre for resource property (less than 50,000 acres) and forty cents per acre for commercial property (50,000 acres or more) if an area, village or commission rate for fire protection is applicable for the area, there shall be this additional tax, which shall not exceed one cent per acre
Change in Use	76(4) 77(3 to 7) 78(2 to 6)	tax payable for land which ceases to be farm, recreational or forest property
Fire Protection/Water System	80	council may levy a rate on the value of the assessable property and business occupancy assessment in the area served by a water system to recover that part of the cost of the water system which is directly attributable to fire protection (see Bulletin #31)
Special Purpose Tax	83	council may levy a special purpose tax as a means to raise all or a portion of the capital or operating cost of a special project (see Information Bulletin #40)
Deed Transfer Tax	101 to 110	the deed transfer tax is a tax levied on the transfer of real property (land and buildings), which is payable at the time of the conveyance of the title and it is based on the purchase price council may set the rate of the deed transfer tax with a by-law, provided it does not exceed up to one and one half per cent of the value of the property
By-laws	172(2)(e)(i)	fees for licences, permits or approvals may be in the nature of a reasonable tax for the activity authorized or for the purpose of raising revenue

Taxes		
Type	**MGA**	**Description**
Village Commission tax	439, 440	the village commission has some of the same powers as a municipality to set the rates and collect taxes, except there is not split between the residential and commercial asessments
Village Commission Area Rate	442	where the village incurs an expenditure in an area of the village, the village commission may set an area rate to finance the cost

Charges and Fees		
Type	**MGA**	**Description**
Water and sewer charges	49(1)(a)	council may make policies for setting the interest rates to be charged on water charges, sewer charges and any other charges or sums owing to the municipality
Solid waste charges	49(1)(b)	council may make policies for the setting of charges for solid waste management facilities operated by the municipality
Setting Fees	49(1)(c)	council may make policies for the setting and amending of fees for licences, inspections, permits, applications, approvals and the impoundment of animals: also see 172(2)(e)(i)
Flag, symbol or coat of arms	62(3)	council may set the fee for the authorized use of the municipality's flag, symbol or coat of arms
Uniform charges	75(4)	council may in lieu of levying an area rate, levy a uniform charge on each taxable property assessment and dwelling unit
User charges	79	council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law this is subject to the approval of the Board for those services that are subject to the *Public Utilities Act*
Local Improvement Charges	81	council may make by-laws imposing, fixing and providing methods of enforcing payment of charges for wastewater facilities; stormwater systems; the municipal portion of the capital cost of installing water systems; streets; curbs; sidewalks; gutters; bridges; culverts; retaining walls; tree removal; and the municipal portion of the capital cost of placing the wiring and other parts of an electrical distribution system underground
Interest on charges	82	interest is payable on unpaid charges at the same rate as for other outstanding taxes (Section 49(1)(a))
Tax certificate	132(2)	council may set the fee for a tax certificate

Charges and Fees		
Type	**MGA**	**Description**
Deed conveyance fee for tax sale	150(2)	fee for tax sale deed
Redemption of tax sale property fee	152(2)(d)	the person redeeming land shall pay the fee to record the certificate of discharge
By-law fees	172(2)(e)(i)	council may establish fees for licences, permits and approvals which may be for the purposes of raising revenue
Dog by-law	175	council may establish fees for registration, impounding of dogs at large, kennel fee
Price for sale of by-laws	187	the by-law may be sold at a reasonable price, having regard to the cost of printing the by-law
copying fee for Public Hearings	206(4)	council may set a fee to recover the cost of providing copies of documents or portions of planning documents for a Public Hearing
Land Use application fee	220(4)(l)	council may by policy set the fees for an application to amend the land use by-law or for entering into development agreements, site plans or variances (see Bulletin #22)
Subdivision fees	271(3)(f)	a subdivision by-law may include the fee for the processing of applications for approval or repeal of a subdivision, including recording and filing fees (see Bulletins #10 and #22)
Infrastructure charges	274 275 276	a municipal planning strategy may authorize the inclusion of infrastructure charges in the subdivision by-law to recover all or part of the capital costs incurred or anticipated to be incurred due to new development for new or expanded water systems, wastewater facilities, stormwater systems, streets and the upgrading of intersections, traffic signs, signals and new transit bus bays (see Bulletin #26)

Charges and Fees		
Type	**MGA**	**Description**
Work on street fee	317	council may, by policy, prescribe the terms upon which a permit to break the surface of the street may be granted, including the setting of a fee for the permit and require a security to ensure the street is restored
solid waste deposit fee	325(f)	council may make by-laws prescribing the terms and conditions under which a deposit may be made at a solid-waste management facility, including the amount and manner of payment of fee or charge to be paid for the deposit
solid waste removal fee	325(h)	council may make by-laws which include the fees for the removal of solid waste
Village commission Charges	428	the village commission may make by-laws for charges on wastewater facilities, stormwater systems, the village portion of the capital cost of installing a water system, streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls, the village portion of the capital cost of placing the wiring and other parts of an electrical distribution system underground the village commission may by by-law levy a one-time redevelopment charge to pay for additional or trunk sanitary or storm sewers or for oversized sanitary or storm sewers
Freedom of Information and Protection of Privacy (FOIPOP)	466(1)(c) 471(1)	a person may obtain access to a record by paying the prescribed application fee Note: the fee is that prescribed by Provincial regulations

Charges and Fees		
Type	**MGA**	**Description**
FOIPOP service fees	471	except for the first hour spent locating or retrieving a record or for an applicant's own personal information or if in the opinion of the responsible officer the applicant cannot afford the payment, a fee may be charged the fee cannot exceed the actual cost of the services and includes the following: the locating, retrieving and producing a record; preparing the record for disclosure; shipping and handling the record; providing a copy of the record Note: the fee is prescribed by Provincial regulations

Penalties and Fines		
Type	**MGA**	**Description**
Deed Transfer Tax Penalty	107 108	where the grantee does not pay the deed transfer tax when due shall pay interest at a rate determined by council and beginning ten days after the transfer and an additional penalty of ten percent on the deed transfer tax if unpaid thirty days from the transfer
Enforcement of by-laws	172(l)	Council may make by-laws for the enforcement of by-laws including remedies for the contravention of by-laws by undertaking or directing the remedying of a contravention, apprehending, removing, impounding or disposing, including the sale or destruction of plants, animals, vehicles, improvements or other things and charging and collecting the costs thereof as a first lien on the property affected (see Bulletin #36)
	172(1)(l) (iv)	the bylaws may include for each offence, imposing a fine not exceeding ten thousand dollars
Minimum Standards	181(1)	council may make by-laws prescribing the penalty to the owners of a residential uses which does not discontinue the use where it has been found that it does not meet the minimum standards regarding sanitation, plumbing, water supply, lighting, wiring, ventilation, heating, access, maintenance, appearance, construction and material for the buildings, and the number of persons who reside in the building
Recovery of penalties, fees and fines	183	any penalty, fine or licence fee imposed, unless otherwise provided, may be recovered and enforced with costs on summary conviction
Dangerous and unsightly	348(4)	any person who permits or causes a dangerous and unsightly condition to remain after an order has been served or who fails to comply with the terms of the order, is liable on summary conviction to a penalty of not less than one hundred dollars and not more than five thousand dollars (see Bulletin #36)

Penalties and Fines		
Type	**MGA**	**Description**
Village Commission penalties	431	the village commission may by by-law prescribe a penalty of not less than one hundred dollars and not exceeding five thousand dollars for the violation of a village by-law where no penalty is provided by village by-law there is a penalty of not more than five thousand dollars every day during which a contravention or failure to comply continues is a separate offence
Offence and penalty	505	where no penalty is provided by by-law, a person who violates a provision of the MGA or of an order, regulation or by-law in force in accordance with the MGA is liable, upon summary conviction, to a penalty of not less than one hundred dollars and not more than ten thousand dollars
Offence and penalty	506	a person who removes, defaces or makes illegible a notice or order posted pursuant to the MGA is liable, on summary conviction, a penalty of not less than one hundred dollars nor more than five thousand dollars
Offence and penalty	508	where no penalty is specified for the violation of MGA, a person who contravenes the provision is liable, on summary conviction, to a penalty of not less than one hundred dollars and not more than five thousand dollars

Appendix 3.1.B

Municipal Accounting and Reporting Manual Summary

Revenue Chart of Accounts

1100 Taxes

ASSESSABLE PROPERTY	

• Residential
• Commercial Property
• Based on Special Tax Agreements or Legislation Resource
• Taxable Assessments
• Recreational Property Tax
• Forest Property Tax (less than 50,000 acres)
• Forest Property Tax (50,000 acres or more)
	• Area Rates
	  • Protective Services (includes fire rates)
	  • Transportation Services (includes area street lighting and sidewalk rates)
	  • Environmental Health Services (includes area garbage rates)
	  • Environmental Development
	  • Recreation, Cultural Services
	  • Other

SPECIAL ASSESSMENTS	

• Frontage Rates
  • Transportation Services (includes frontage rates for paving and sidewalks)
  • Environmental Health Services (includes frontage rates for sewers)
	• Other
	  • Environmental Health Services (includes flat charges and user fees for garbage and sewer, water)
	  • Transportation Services (includes
	  • infrastructure charges)

BUSINESS PROPERTY	
• Business Occupancy • Based on Revenue (M.T.& T.) • Machinery & Equipment	• Power Corporation • Power Corporation (HST Rebate)

OTHER TAXES	
• Deed Transfer Tax • Change in Use Tax (includes taxes charged on farmlands, forest and recreational property)	• Other (Specify)

12000 Grants in Lieu of Taxes

FEDERAL GOVERNMENT	
• Federal Government • Federal Government Agencies • Canadian Broadcasting Corporation	• Canada Post

PROVINCIAL GOVERNMENT	
• Provincial Property and Property of Supported Institutions (A grant in lieu is paid on provincial real property at the applicable residential non-residential or resource property tax rate except for educational and health care facilities. A grant in lieu of taxes at 40% of the applicable rate is paid on the residential facilities of post-secondary institutions)	• Fire Protection (A grant in lieu is paid on all provincial buildings exempted from full taxation) • Crown Timber Lands (A grant in lieu is paid at 40¢ per acre)

Provincial Government Agencies	
• Liquor Commission • Sydney Steel Corporation	• Business Development Corporation • Other

13000 SERVICES PROVIDED TO OTHER GOVERNMENTS

Federal Government or Provincial Government or Other Local Government	
• General Government Services • Protective Services • Transportation Services • Environmental Health Services • Public Health and Welfare Services	• Environmental Development Services • Recreation and Cultural Services • Fiscal Services • Other Services

14000 SALES OF SERVICES

Most municipalities recoup all, or part, of the cost of certain services through charges based on the amount of such service supplied to individuals. Such services are supplied in easily measurable amounts, e.g. water; or are discrete and capable of being costed on an individual basis, e.g. snowplowing. Fees charged for certain purposes, e.g. search fees, are also considered to be sales of services except where the fee confers certain privileges on the payer when it (the fee) is classified as a license or permit (see below). The individual purchasing the service includes not only the residents of the municipality but also any other person, corporation or government purchasing the service for its own use or consumption and not on behalf of others whom the purchaser would otherwise supply from its own resources.

Sales of Service	
• General Government Services • Protective Services • Transportation Services • Environmental Health Services	• Public Health and Welfare Services • Environmental Development Services • Recreation and Cultural Services • Other Services

15000 Other Revenue from Own Sources

Other Revenue from Own Sources	
• Licenses and Permits (Includes general licenses, professional licenses, business licenses, amusement licenses and permits, taxi licenses, delivery vehicle licenses, animal licences, building permits and other licenses and permits) • Fines (Includes court fees and costs, forfeited bail, fees from impounded animals as well as fines on overdue library books) • Rentals (Includes income earned on general rentals, engineering structures, buildings, machinery, and equipment and land lease. • Concessions and Franchises (Concessions and franchises are particular privileges or rights granted in respect of municipal functions, activities or responsibilities.)	• Return on Investments (Includes interest earned on short term deposits and other investments which the operating fund may utilize. Interest on special funds is to be recorded in the special fund it belongs to rather than here.) • Penalties and Interest on Taxes • Miscellaneous (Includes commissions earned, gifts and sundry income which cannot be under any other caption.)

16000 Unconditional Transfers from Other Governments

Unconditional transfers cover only those intergovernmental transactions in which the transfer or does not specify any particular use to which the monies are to be put, in which the monies so transferred form part of the general revenue of the transferor and in which the transferee has discretion over the use of the monies.

Unconditional Transfers from Other Governments	

• Federal Government
• Provincial Government
  • Department of Transportation
  • Ice Control and Snow Removal
  • Department of Housing and Municipal Affairs
	• Municipal Grants Act (Equalization)
	• Municipal Government Act, Farm Property Acreage
	• Other Local Governments

1700 Conditional Transfers from Federal or Provincial Governments or Agencies

Federal	
• Federal Agency - Canada Mortgage and Housing Corporation	• Other

Provincial	

• Protective Services
  • Law Enforcement
  • Fire Protection
  • Emergency Measures Organization
  • Other Protection (i.e. Dutch Elm Disease)
• Transportation services
  • Road Transport
• Environmental Health Services
  • Sewage Collection and Disposal
  • Garbage and Refuse Collection and Disposal
	• Environmental Development Services
	  • Community Development
	  • Housing
	• Recreational and Cultural Services
	  • Regional Library
	  • Heritage Properties
	• Fiscal Services - Debt Charges
	  • Sewers and Drains
	  • Street Paving, Curbs and Gutters
	• Provincial Agency - Liquor Commission
	  • re Prisoners Board

1800 Conditional Transfers From Other Local Government

There may be a situation where a municipality may provide a service for another municipality, for example a district planning commission or district fire commission.

1900 Other Transfers, Collections for Other Governments

Other Transfers, Collections for Other Governments	

• Transfers from Own Valuation Allowances and Equity
  • Valuation Allowances
  • Surplus of prior year
  • Other
	• Transfers from Other Funds
	• Transfers from Own Agencies (Includes solid waste authorities)
	• Collections for Other Governments (Includes collection of village and special commission rates)

Section 3.2

Expenditures

Reduced Expenditures can have the same impact on a municipality as increased revenues.

Local governments across Nova Scotia are facing common fiscal problems, where they have limited revenue resources while they are facing increasing responsibilities and expectations from their citizens. Section 3.1 dealt with Revenue Sources for municipalities, examining all the traditional sources of revenue, as well as alternative sources of revenue. At the other end of the equation, an examination of methods of reducing expenditures can have the same effect as increasing revenue sources.

The goal of this section is to provide decision makers with a greater perspective on what options are available to reduce expenditures. These options examine methods used in other North American municipalities to confront fiscal problems. This section provides three main responses to expenditure reductions:

A. Revenues through Auditing
B. Review of Municipal Operations and Services
C. Partnerships

A. Revenues through Auditing

Lost revenues through the overpayment of charges by the municipality.

Local governments pay millions of dollars annually for services such as electricity, oil, water, communications (telephone, cell phone, Internet, etc.) and leases and service contracts on equipment (vehicles, copiers, fax machines, computers, etc.). Research has indicated many municipalities have been overcharged for some of these services.

Apart from the annual municipal audits, there is a need for a municipality to look at all costs in minute detail, to ensure the municipality is getting what it is paying for and not being overcharged. Human error is one factor, but it has also been found to include:

- complicated rate structures
- difficulty in interpreting invoices
- incorrect use of a meter
- incorrect prorating of charges

- reconfiguration of telecommunications networks
- leases and service contracts which continue after the equipment has been removed

Municipalities which have conducted such audits in the past achieved refunds and savings, which in some cases were quite significant.

B. Review of Municipal Operations and Service

The rationalization of municipal services.

Municipalities over the decades have increased not only the level of service they provide, but they have provided a greater variety of services to the public. The question arises whether municipalities can afford to provide all of these services. Therefore, a municipality should be rationalizing whether the services it provides should be maintained or maintained at existing levels.

The municipality should ask itself some basic questions:

- Can the municipal operations and services be rationalized in terms of a cost benefit analysis? This would include a review of economic, political and social factors.

- If the municipal service or operation cannot be justified through such a review, should it be maintained?

- Is the same service provided by the private sector? And if so, can they provide it more effectively and efficiently?

- If the municipal service or operation can be justified, what can be done to improve the effectiveness and efficiency to address any budgetary constraints?

- Are there alternative servicing strategies which could resolve the budgetary constraints, for example, encouraging a greater use of volunteers or partnerships with organizations which can maintain municipal facilities?

If the municipality cannot do it alone, consider the partnership option.

C. Partnerships

Partnerships provide a means to the sharing of costs and resources with another party. As partnerships can reduce costs to a municipality, they have the same effect as increased revenues. These other parties can include other municipalities, interest groups or private consulting firms.

Apart from the economic benefits of partnerships, there are other advantages to partnerships which make this avenue worth considering, including:

- Each of the participants brings some special resource, usually it is financial in nature, however, there is also the pooling of technical resources. This increase in technical skills for the partnership has the advantage of increasing the critical mass of resources in a project so that the sum of the whole is greater than the sum of the parts.
- With this greater pool of resources, there is the ability to accomplish not only more tasks, but a greater diversity of tasks.
- Partnerships create greater support from the participants in ensuring the projects are completed in a timely fashion and as effectively and efficiently as possible.
- Partnerships can create an image of a municipality which encourages participation and which shares responsibility for initiatives and actions.
- Partnerships can foster a greater understanding, appreciation and cooperation amongst participants to achieve a common goal.

Partnerships can take the form of formal arrangements to informal arrangements. The formal partnerships generally include a written agreement, outlining the purpose, time frame, tasks, responsibilities and financial commitments from each of the participants. The informal partnerships, do not have the same level of commitment, where groups or levels of government work together, usually in the form of

committees to achieve a common goal, however, the informal arrangements are easier to withdraw from or dissolve if they are not working.

There are four basic types of partnerships; including:

1. **Intergovernmental partnerships**

   These partnerships would include municipal, provincial and/or federal levels of government. In this context, the provincial and federal levels of government would have a broader collective interest which may be addressed in the community development process. In these cases, the senior level of government would act as a catalyst, providing professional resources, information and financial assistance to achieve a common goal. In those cases where only financial assistance is provided, it is not a true partnership, however, it may develop as a partnership between the levels of government, if there is a level of evaluation and accountability required in the process.

2. **Inter-municipal partnerships**

   Inter-municipal partnerships range from those municipalities which operate within imposed institutional structures, to formal structures of cooperation but municipalities may opt out if they wish, to informal arrangements where municipalities are often dealing with a particular activity or issue.

   Inter-municipal partnerships are particularly effective for smaller municipalities to pool their resources so that they would have the critical mass of technical or financial resources to deal with a particular project. Examples could include solid waste programs, transit and planning.

3. **Public/private partnerships**

   The private sector is usually profit motivated and unless a project can satisfy this basic need, the private sector may not become involved in projects no matter how desirable they may be for the community. At the same time, there are situations where the public sector does not have the resource to complete

a project which would benefit the community by itself. In these situations, there is the opportunity for the public sector to create a partnership with the private partner which would satisfy the public sector's goal of developing a project or program which would benefit the community as a whole and satisfy the private sector's need for financial return. As a result, these public and private sector partnerships have been gaining greater interest, as it has been demonstrated that such a partnership is a win/win situation.

4. **Partnerships outside the formal public sector**

In any municipality, there are a variety of interest groups (for example, environmental groups, service clubs, business groups, recreation clubs or organizations), which have a common interest of promoting and maintaining programs and projects which will benefit the community as a whole. The municipality has the opportunity to foster links between these groups to form partnership on specific projects, even though there may not be a formal link between these partnerships and the municipality.

Examples of such partnerships have been demonstrated in numerous municipalities across North America, where:

- There have been a variety of downtown redevelopment projects where both the private and public sectors have agreed to share in the costs of development. The result has been the rebirth of the downtown areas into vibrant residential and commercial neighborhoods.
- Chambers of Commerce have taken on tourist information functions and strategic economic planning programs.
- Local business community organizations have served as the marketing agents for a community.
- Service clubs or businesses have been used to organize and run community events and festivals.
- Sports clubs or businesses have taken over the

maintenance and operation of sport facilities.

The types of activities which can be accomplished within these types of partnerships can be characterized as follows:

1. **Buying Things Together**

Municipalities can take advantage of increased economies of scale to get better deals from sellers if they go together for larger purchase orders rather than buying individually. These buying partnerships can be particularly effective for the smaller municipalities, where they could use this power to negotiate better prices on products from everything from office equipment, computers, road salts, vehicles, cellular phones to recreation equipment. In addition, this purchasing power can also be used to negotiate services, for example office equipment maintenance programs, phone rates, engineering studies and legal services. Under such partnerships, the savings can be substantial.

In Nova Scotia, municipalities can purchase with the Province to achieve savings.

2. **Selling Things Together**

Again the economies of scale can work to the advantage of smaller municipalities in forming partnerships to maximize the asset value of products and services by offering them collectively on the market. Partnerships in this form can include activities ranging from recreational programs, recycling programs for plastics and newsprint, information services, consulting services, to the sale of surplus goods.

3. **Building Things Together**

The development of recreation facilities, water and waste water treatment projects or downtown redevelopment programs, can often be greater than what a smaller municipality can afford to contemplate. In pooling resources with other smaller municipalities or private firms, there is the ability to secure the necessary capital and share the risks amongst the partners. In

many instances, this may be the only feasible way for a such project to be completed. (Note: when dealing with private firms, the legislation does restrict the types of partnerships, therefore, check with the municipal solicitor to review the *Municipal Government Act*.)

4. Operating Things Together

As municipalities face increasing difficulties to maintain many of their services, there has been a growing reliance on partnerships. Such relationships have often developed with recreation facilities, for example, soccer and baseball clubs have assumed the operation and maintenance of the fields in lieu of or for reduced user fees. This ensures that the level of maintenance meets the requirements of the sports clubs, while reducing the costs to the municipality.

Conclusions

There are a variety of options available for a municipality to reduce its expenditures. What is required is innovative thinking and the willingness to attempt new programs to achieve this goal. It may also require some hard choices about existing municipal services.

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Section 3.3

Property Assessment and Tax

The link between Taxes and Assessment

Property assessment and property taxes are inextricably linked and a review of one cannot proceed without the other. Although assessments are done by the province and taxes are calculated and collected by the municipalities, the public considers them to be interlinked and there is an expectation for municipalities to be able to answer questions on both property assessment and tax. The purpose of this section is to provide a detailed review on the relationship between the two.

Workshop by Assessment Services

The following document was prepared as part of a workshop by Assessment Services of Service Nova Scotia and Municipal Relations. There is no registration fee for these workshops. For those interested in having this course, please contact Michelle MacFarlane in Assessment Services at 902-424-6274 or mmacfarl@gov.ns.ca.

Outline

The workshop provides information on:

- the fundamentals of property assessment
- market value, base date and state date in accordance with the *Assessment Act*
- the relationship between assessment and taxation
- the level of service expected by our clients.

Each workshop is between three and three and a half hours and is facilitated by assessment professionals.

Who should attend?

This workshop is meant for elected officials and municipal staff, especially in the tax office. Both first time councillors and those with experience would find this workshop helpful.

The workshops are held on a request basis by region. Municipalities can either request a session for their council or for their staff. Due to the unique role municipal staff and councillors play, it is recommended, where possible, that separate workshops for councillors and staff be arranged.

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Chapter 1
Property Assessment and Taxation

This chapter highlights the nature and rationale of the property tax system that is used by the province of Nova Scotia. The relationship between taxation and assessment can be confusing but is very important. In this chapter, you should get a good understanding of the basics of property assessment and taxation.

Nova Scotia Property Assessment

In Nova Scotia, assessment of property is used as a method of seeing that each property owner pays a fair level of tax in relation to what his or her neighbours pay. This method is used across Canada and throughout North America, and grew naturally from a society which was rural and agricultural in its early stages. At first, only land was assessed. Today both land, buildings and structures affixed to the land are assessed.

Assessment Services produces assessment rolls and notices for municipalities across Nova Scotia. In 2000, there are currently over 530,000 property accounts with a value of over 40 billion dollars. This is done out of our 5 regional offices and two sub offices across Nova Scotia. Each year, Service Nova Scotia and Municipal Relations supplies municipalities with a complete assessment roll that forms the basis for municipal property taxation. This is the main source of revenue for municipal units and a major component of the formulae used in the distribution of funds under various provincial municipal and inter-municipal cost-sharing arrangements.

Property owners receive assessment notices every January and have 21 days from the date on the notice to appeal. Assessments are done annually as of a specific base date which allows for more current market values.

Nova Scotia Assessment is mostly based on market value which is considered the fairest way to assess property. Other methods of property assessment have been tried by other countries. Currently, however, many are trying to change to market value assessments and some are looking to Nova Scotia for guidance.

The history of property assessment and taxation

In Nova Scotia, the provincial government is responsible for assessing all properties. The municipalities are responsible for setting tax rates and collecting the taxes. Municipalities use the assessed value of the properties in their area to determine what the tax rate will be and how to apply it to each individual property owner.

Property taxes in various forms are as old as human civilization with an unbroken recorded history of at least 5,000 years. Our modern system of property taxation has roots in England, dating back to the Middle Ages.

Property tax is a tax on wealth while sales tax is a tax on consumption, and income tax is a tax on income. Considered together, these taxes are generally progressive. That is, people with greater wealth or greater ability to pay, contribute more tax. For those who can not afford to pay property taxes (e.g., some seniors, etc.) deferment and tax relief measures are available in some municipalities. Property tax provides approximately 70 per cent of local government revenue in Nova Scotia and is the major source of revenue controlled by local government.

Property assessments for Nova Scotia properties are compiled into an assessment roll which is forwarded to the various municipalities. Every year, elected municipal officials determine the coming year's budget. After setting tax rates (based on their budget requirements), municipalities send out tax notices to all property owners. Tax dollars collected by the tax authorities are used to support community and regional services such as roads, police, fire protection etc.

A sample calculation:

A municipality needs $3,600,000,000 to balance its budget. The total taxable assessment for all properties is $4,000,000,000.

$$\frac{\$3{,}600{,}000{,}000 \text{ (amount to be raised)}}{\$4{,}000{,}000{,}000 \text{ (total taxable assessment)}} = .90 = \text{Tax rate}$$

(or 90 cents for every $100 worth of assessment)

The tax rate must be applied uniformly throughout the community to all taxable properties. Certain properties, such as churches and schools are

exempt from real property taxes. Also, council may exempt certain property owners from paying property taxes.

The amount of municipal tax payable by a property owner is calculated by multiplying the tax rate by the assessed value of a property and dividing by 100.

$$\frac{\text{Tax rate x Assessed value}}{100} = \text{Property tax bill}$$

Using the above tax rate of ninety cents for every $100 of assessment, a taxpayer with a property valued at $55,000 would be sent a tax bill of $495.00 for the year.

$$\frac{.90 \times \$55{,}000}{100} = \$495.00$$

Principles of Nova Scotia Property Assessment

- The *Assessment Act*

The *Assessment Act* requires that most land and improvements be assessed at market value. Exceptions include utility properties such as railways, pipelines, power lines, and farm land. These properties are valued at regulated rates.

- The Municipal Government Act

Nova Scotia has updated its legislation governing municipalities, and is one of only a few provinces in Canada that has consolidated this into a single statute. The municipal Government Act allows all municipalities in the province to be governed by the same piece of legislation. The MGA amended a number of statutes and replaced over a dozen, including:

Municipal Act
Towns Act
Municipal Affairs Act
Village Service Act

Planning Act
Municipal Boundaries and Representation Act
Regional Municipalities Act
Halifax Regional Municipality Act
Cape Breton Regional Municipality Act
Queens Regional Municipality Act
Deed Transfer Act and
Assessment Act (tax collection portion).

For more information on the MGA and how it effects you, please see the MGA Resource Binder found in every municipality.

♦ Market Value

Market value is the amount of money that probably would be arrived at through fair negotiations between a willing buyer and a willing seller. Consideration may also be given to the other uses the property may be used for. The following characteristics of market value should be noted:

- It is the most probable price, not the highest, lowest or average price.
- It is expressed in terms of money.
- It implies a reasonable time to be exposed to the market.
- It implies that both the buyer and seller are informed of the uses to which the property may be put.
- It assumes an arm's-length transaction in the open market.
- It assumes a willing buyer and a willing seller with no advantage being taken by either buyer or seller.
- It recognizes both the present use and the potential use of the property.

♦ Mass Appraisal

The Service Nova Scotia and Municipal Relations, Assessment Services values most property using the mass appraisal concept. This is in accordance with section 42 of the *Assessment Act*. Mass appraisal is different than hiring an appraiser to assess your property because of the range of properties used in the valuation and the specific base date applied to sales.

Mass Appraisal uses statistical ranges of values for properties identified as similar. Ranges are determined though analysis of data collected from recent sales. Market value using mass appraisal is determined by analysing

relevant market sales for similar properties; not just the sale price of a certain property. In using Mass Appraisal, only data that has been proven to effect market value would change the assessed value of a property.

Real Estate firms do not have the extensive data that Assessment Services has therefore they do not have the ability to set ranges. The Assessment Services Division did not have the technology to collect and analyse data before, now the Division does have advanced technology and statistical software. Before the sales to assessment ratio was the only measure of uniformity. Now we have statistical measures such as Price Related Differential (PRD), Coefficient of Dispersion (COD), and Coefficient of Variation (COV).

Cost does not necessarily reflect market. For example, if a property owner puts in a $10,000 swimming pool, it does not necessarily mean that the house will sell for $10,000 more than their neighbours, a similar house without a pool.

Ranges of values

Ranges of values take into account differences in properties that people will pay the same price. Tolerances are built up within the market. For example, someone may pay more or less for different attributes; the ranges accommodate for this.

Using OASIS in mass appraisal

OASIS is a tool used by the department to value property. It does not dictate how we value property. The assessor collects pertinent information, analizes the information and inputs it into the system. OASIS calculates and stores the property values.

Uniformity

The idea of uniformity implies that the assessor, using standardized and acceptable assessment procedures, will consider all properties that are similar to the one being assessed. The value should then be similar to those other properties. Taxes for that property should be similar as well.

Base date

Base date is the date that the values of the properties in a municipality are set for that particular assessment cycle. Any special or supplementary assessments carried out after this date will relate to the property values that were assigned as of this "base date". Currently, the base date in Nova Scotia is as of January 1, two years back. In other words, the base date for the 2000 assessment roll would be January 1, 1998.

State Date

The assessment roll reflects the state of the property as of the state date which is December 1st immediately preceding the filing of the roll.

Exemptions from property assessment

Municipalities may provide tax exemptions for low-income taxpayers and may provide for tax deferral. Please refer to the specific Section 69 and 70 of the Municipal Government Act for guidance. The *Assessment Act*, Section 5 outlines property that is exempt on the assessment roll. The main properties include:

- churches
- cemetery
- schools, jails, court house
- public lands
- municipal lands
- Legions and property of the Army, Navy and Air Force Veterans in Canada
- used for boy scouts, girl guides

It should be noted that other than the specific instance outlined in section 5 of the *Assessment Act*, all other property notices will be assessed as taxable. This will include all not-for profit and charitable organizations. This does not mean that the municipality will tax these properties. Municipalities may, by by-law, provide complete or partial tax exemptions for properties used for the public benefit. Organizations must contact the municipality and the decision rests with council members. For consistency of treatment and to facilitate the requirement that these exemptions show as a municipal cost, all properties that have the benefit of a municipal tax

exemption show as taxable on the assessment roll.

♦ Low Income Tax Exemption

The low-income exemption is what was sometimes called the widow's and orphan's exemption. The exemption applies to everyone whose income is below the amount set by council by policy. For more information, the reader should inquire at council and refer to Section 69 of the *Municipal Government Act*.

♦ Tax Deferral

For a municipality to permit the postponement of taxes the option must be adopted by by-law. The by-law sets out a program available to all who qualify. There is no discretion in the application of the program. For more information see Section 70 of the *Municipal Government Act*.

♦ Exemptions for Charitable Organizations

Municipalities may by by-law, provide complete or partial tax exemptions for properties used for the public benefit. These powers are through Section 71 of the *Municipal Government Act*.

Council may provide full or partial exemptions, subject to any conditions set out in the by-law, for :

- property of a specific registered charity if used directly and solely for a charitable purpose
- property of non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization if council considers the organization provides a service that might otherwise have to be provided by the council
- property of a fire department registered under Part X if used directly and solely for community purposes or fund raising activities of the fire department
- property of emergency services provider registered under part X if used directly and solely for community purposes or fund raising activities of the emergency services provider
- building, pumps stations, deep well pumps, main transmission lines, distribution lines, metres and associated plant and equipment of a

municipal water utility (including village and service commission water utilities).

Myths about Property Assessment

Assessment Services is always trying to educate its clients on property assessment in Nova Scotia and how it relates to taxation. Over the years myths have evolved which make it difficult for property owners to clearly understand the Division's business and how it affects them.

Myth: Assessors create market value.

Truth: Buyers and sellers in the market create market value. Nova Scotia property assessment gets a copy of every deed that has activity within Nova Scotia. Each sale or transfer is examined and the information is analysed by assessors to estimate market value. Property values within each municipal unit are given to municipalities to determine and collect taxes.

Myth: Municipalities inform Assessment Services of their budgetary needs so that the appropriate assessed value amount will be included in their roll.

Truth: Assessment Services must defend market value in court not the financial state of the councils.

Myth: If a property owners assessment goes up, their taxes will automatically go up.

Truth: Assessments will reflect what is happening to property sales in each neighbourhood and will also reflect those factors which may enhance or detract from a property's value. The amount of change varies from neighbourhood to neighbourhood throughout the province.

Your assessment value is used by your municipality to determine your share of taxes. Each municipality sets its own tax rate depending on how much money it needs to support services such as police, fire, streets, lighting, schools, garbage, etc. The tax rate is determined by dividing this money by the total taxable assessments in the municipality. So if

assessments in your municipality go up and the money your municipality needs for services remains the same, your council could decide to reduce your tax rate.

Myth: Property owners only have a 21 day window as of the date on their January notice to express concern about their value.

Truth: There is a 21 day appeal period that begins as of the date on your January notice. However, those property owners whose assessments increased by more than three percent receive a proposed assessment notice in the summer previous to it being mailed in January. We send it out in advance of the formal notice in order to provide those property owners an opportunity to consult with us and get information from our staff that could save them the time and effort of filing a formal appeal in January.

Myth: The province increases property values every year.

Truth: Assessment Services are reassessing properties every year now. This means that every year assessments are changed to reflect market value in each neighbourhood as of a certain date. Assessment Services used to do this every three years which meant that property owners did not see the changes occurring each year but in most cases they saw a larger change once every three years.

Chapter 2
The Assessment Process

This chapter highlights what types of property assessments there are and how they are assessed. It also includes detailed information on the assessment notice and the assessment roll delivered to the municipal units.

The Role of the Assessor

Because of the nature of work, assessors can be expected to play many roles during their work day. Although their obvious role is to collect and analyse information for the purposes of valuing property, they often play the role of educator, interpreter and even expert witness.

Communication both with property owners and municipal units is seen as essential on an almost daily basis.

Assessors Rights and owners responsibilities

It is important to clarify the rights assessors have to obtain information they require to assess properties. Sections 18 - 23 of the *Assessment Act* describe the rights of assessors to collect information for assessing purposes and the penalties that may apply.

Section 19 of the *Assessment Act* gives every assessor the right to enter lands or premises and to inspect the property at reasonable times. Section 23 of the *Assessment Act* states that a person who knowingly gives false information or neglects to provide information will lose his/her right to appeal.

Classification of property

Nova Scotia Assessment groups property into one of three classes. The classification is based on a property's use and whether it meets the requirements for the class as specified by the *Assessment Act*.

The three property classes are:

1. Residential -- includes single-family residences, multi-family residences, duplexes, apartments, condominiums, nursing homes,

seasonal dwellings, manufactured homes, recreational property, some vacant land, farm buildings and daycare facilities.

2. Commercial -- includes all property or part thereof except residential property and resource property. This includes forest property owned by a person who owns fifty thousand acres or more.

3. Resource -- includes farm property (land and building used for agricultural purposes), forest property owned by a person who owns less than fifty thousand acres, land of a municipal water utility, excluding the structure, community fisherman's service building occupied and used by boat owners who are licensed commercial fishermen and the land used in connection.

♦ Split Classification

It is possible for a property with several distinct uses to fall into more than one class. For example, commercial and residential space might be combined in one building. A property may also be a combination of residential, farm and forest land.

In these cases, Nova Scotia Assessment determines the share of the value of the property attributable to each class.

Other types of property assessments

♦ **Home-based Businesses**

There are over 5,000 home-based businesses in Nova Scotia which pay a combination of commercial and residential taxes. Examples of these would be: hairdressers, automotive repairs, small appliance repair, doctors and accountants. All are subject to a commercial assessment and business occupancy assessment as outlined in the *Assessment Act*.

If you are assessed as a home-based business, your assessment is partially residential, partially resource and partially commercial or a combination of the three. The commercial portion of your assessment is based upon a percentage of your total property value. This practice is consistent with the manner in which Revenue Canada would allow home-based business to apportion commercial and personal use of expenses in a home.

♦ Business Occupancy

The business occupancy assessment is calculated as a percentage of the commercial assessment. For most home-based businesses the percentage is 50%. In Nova Scotia the hospitality industry receives preferred status in two areas of assessment for business occupancy. First, the hospitality industry is based on 25% of the commercial assessment, while most financial institutions are based on 75% and all others are 50%. Secondly, appreciating that much of the hospitality industry is seasonal in nature, the taxation is pro-rated to reflect only the number of months that the business is in operation.

For more information on business occupancy, please refer to our *Business Occupancy* fact sheet which is available at your Regional Assessment Office.

Valuing Property

In Nova Scotia, property assessments reflect market values as of a base date. The present base date for the 2000 reassessment is January 1, 1998. Nova Scotia reassesses property every year.

In general terms, market value is the price expected if a reasonable amount of time is allowed to find a purchaser and if both seller and prospective buyer are fully informed. For assessment purposes in Nova Scotia, market value is the most probable price that an unencumbered property would sell for on the open market.

There are three fundamental approaches to value which both private and public appraisers use to develop market value estimates. A summary of each approach follows.

♦ Direct Comparison Approach

The Direct Comparison Approach to value is based on the assumption that an informed purchaser would pay no more for a given property than the cost of acquiring a comparable property.

All sales in Nova Scotia are reviewed and either qualified to be used in analysis or determined to be non-arms length. Generally, sales occurring within 6 months either side of the base date are used.

Using the Direct Comparison Approach to value is most appropriate when the market is active and many properties with similar characteristics are selling.

♦ **Cost Approach**

The Cost Approach to value is based on the assumption that an informed purchaser would pay no more for a property (land and buildings) than it would cost to buy a similar piece of land on which a building could be constructed with characteristics comparable to the property to be purchased.

The appraiser estimates the land value only, and then adds to this value the cost of replacing the building(s) and other improvements.

Value of Land + Cost of Improvements (i.e., Building) - Depreciation = Total Value of Property

When applying this approach to value, costs must be adjusted to the valuation date, reflect market values in the property's geographic location, and include all indirect costs (such as the developer or owner's profits and the cost of financing during construction).

Once the costs of constructing the subject building have been determined, the appraiser estimates a deduction for:

- Physical Depreciation - loss in value due to normal wear.
- Functional Depreciation - loss in value due to the structure's inability to function effectively.
- Economic Depreciation - loss in value due to location.

The Cost Approach is used most often when the property under review is new or nearly new, there are no comparable sales, or the improvements are relatively unique or specialized.

♦ **Income Approach**

The Income Approach to value is based on the assumption that the value of a property is directly related to the income it will generate over its economic lifetime. When applying this approach, net operating income is estimated:

Potential Gross Income - Vacancy/Bad Debt = Effective Gross Income
- Operating Expenses = Net Operating Income

The appraiser determines the potential gross rental income the property could produce by analysing rents paid for the subject property, as well as those paid for comparable properties located in the same geographic area. An allowance is then made for vacancy and collection loss (which varies depending on the type and location of property).

From effective gross income, operating expenses are deducted which determines the annual net operating income.

Note: No deduction is allowed for mortgage interest because different owners have different mortgage requirements. Completing the calculation as though there are no debt service charges, puts all such owners on the same footing and is an important principle in assessment law.
Based on expectations a typical investor would have for the property, the annual net income is converted to a capital value using a market-derived capitalization rate:

Value = Net Operating Income / Capitalization Rate

The appraiser analyses sales that occurred in the market place to determine what rate of return investors are seeking for the various types of properties. The capitalization rate increases proportionately with any risk.

The Income Approach is widely applied when appraising income producing properties, such as office buildings and shopping centres.

♦ **How is market value determined?**

When establishing the market value for a particular property, Nova Scotia Assessment considers the same characteristics as a purchaser. They include the size, layout, shape, age, finish, quality, number of carports, garages, sundecks and condition of buildings. Available services, location, views and neighbourhood may also influence a property's market value.

Nova Scotia Assessment assessors are aware of all real estate sales within their area, and analyse them to develop common units of comparison and corresponding values. When using this appraisal technique (i.e., comparing the selling price of properties) Nova Scotia Assessment is careful to consider each property's unique characteristics. Appraisers review the differences as well as the similarities to arrive at a fair assessed value for a particular property.

♦ **Why are assessments based on market value?**

Market value assessment is widely considered to be the fairest system for distributing the property tax burden.

Assessments based on market value are easy to understand:

- taxpayers relate to the assessed or market value of their property as the estimated sale price.
- assessors and taxpayers can readily check assessments by comparing recent sales and assessments of similar properties in the neighbourhood.

In any tax area, properties used for the same purpose which have a similar value generally pay the same gross taxes. Properties that have higher values contribute more tax than those with lower values.

♦ **When might a property's value change?**

Real estate market forces have the biggest effect on market values. These forces vary from year to year, and from property to property.

The Assessment Notice

Every property owner in Nova Scotia is mailed an assessment notice in January. Property owners whose assessments increased by more than three percent receive a proposed assessment notice in the summer, five - six months before they receive their formal one in January. This gives property owners an opportunity to consult with us and get information from our staff that could save them the time and effort of filing a formal appeal in January.

The review process for assessment notices mailed in January is more formal because an appeal must be filed in order for adjustments to be considered. Without an appeal, the results of a review could only be applied to the next assessment year.

Attached are samples of the formal and preliminary assessment notice. If you have additional questions, please call your Regional Assessment Office.

NOVA SCOTIA
Housing and Municipal Affairs
http://www.gov.ns.ca/homa

How to Contact us:

Local phone:
Toll free:
Fax:

Property Account #

June 1, 1999

Dear Property Owner;

Your *Proposed 2000 Property Assessment* for the property below is $. This assessment is a reasonable estimate of its market value as of January 1, 1998. Your *1999 Property Assessment* (as of January 1, 1996) was $. The most common reason for change is that the market value of your property has increased or decreased due to changes in property values in your neighbourhood. Other reasons might include new construction or renovations such as decks, garages, etc. We now reassess your property every year.

We want you to review your proposed assessment and ask yourself if it is a reasonable estimate of market value as of January 1, 1998. If you feel it is, there is no need to do anything. If you have questions, call our Assessment Information Line at the number above. This provincial call centre is another way we are committed to improving service to the public. The information you receive from our staff could save you the time and effort of filing a formal appeal in January.

Remember, this is just a proposed notice; only the formal notice which you will receive in January of 2000 can be appealed. It's not a tax bill. Your municipality determines your tax rate and sends you your tax bill.

Thank you for your consideration of this notice. We look forward to hearing from you if you have any questions.

Property Description	Classification	Taxable	Exempt

This is not a tax bill.

+1

NOVA SCOTIA
Housing and Municipal Affairs
http://www.gov.ns.ca/homa

Assessment Account Number =

Please contact us if you have questions on your assesssment. Having the above account number available will help us serve you better.

Regional Assessment Office:

(ph)
(toll free)
(fax)

Please provide us with any mailing address corrections.

This is your 2000 assessment notice; it is *not* your tax bill.

Your 2000 assessment value is $

This assessment is as of a base date of January 1, 1998. That means that we are using market costs and values as of that date to calculate your assessment. Property assessments are used by municipal governments to calculate your property taxes. If you are assessed as a business occupancy and your business has closed, please notify your regional office.

For the Executive Director of Assessment,

Property Description/Location	Classification	Taxable	Exempt

Date of Service: January 10, 2000
Municipality:

Dwelling Unit #:

You have until midnight of JANUARY 31, 2000 to appeal your assessment. Your notice of appeal must actually be received by the regional office by this date. To appeal, complete the following information and return this notice to the Regional Assessment Office indicated in the top right-hand corner of this notice.

To Appeal

I am appealing this assessment on the following grounds: _____

_____

_____

_____

Address for service: (only if different from mailing address) _____

Date: _____ Telephone: _____ Name (please print): _____ Signature: _____

INTERNAL USE ONLY
AAN #:
MU# : Field Card #:
Property Code:
Commercial Code:
Roll Type:

bar code here

Chapter 3
Improving Client Service

This chapter highlights who our clients are and the types and levels of service we provide. Also included in this chapter is a summary of what assessment information is available to our clients.

Clients of Assessment Services

Key Clients:

Municipal Units:
Mayors & Wardens
Chief Administrative Officers

Rate payers:
Commercial
Residential

Staff and other government audiences:

Assessment Staff (Regional and Head Office)
Other staff of SNSMR Divisions
Other Government Departments
Assessment Appeal Court Members
NS Utility and Review Board
Access Nova Scotia

Other Clients

Mall Managers
Association of Municipal Tax Collectors (AMTC)
Union of Nova Scotia Municipalities (UNSM)
Association of Municipal Administrators (AMA)
Investment Property Owners Association of Nova Scotia (IPOANS)
BOMA
Appraisal Institute of Canada (AIC)
REIC
Metro Chamber of Commerce
Barristers Society
Municipal Advisors
DMA Library

Our mutual clients property owners

Since we instituted the proposed notices in the summer of 1996, we have spoken to our clients – property owners – after every assessment period to determine their satisfaction with our levels of service. We do this by conducting follow-up telephone surveys with clients who called the Assessment Information Line. We have also found out a great deal about what our clients expect through focus testing.

Our clients told us that they expect timely turnaround on their requests. In other words, if we can't answer their question right away from the Assessment Information Centre, they expect to hear back from an assessor within a week.

During focus testing residential property owners who had appealed their assessments in the past told us they would not have appealed if they had felt their property assessment was fair in relation to other similar properties. They said they wanted easy access to other property assessments in order to make their own comparisons. We offer this is through our Assessment Information Line.

Another thing we learned is that over 75 percent of those clients who called our Assessment Information Line would prefer to have only one number to call for assessment and taxation information. "One stop shopping" is their preference. Thus, we are enthusiastic about partnering with any interested municipal units to satisfy this request. Municipal units interested in participating on our Assessment Information Line should contact Michelle MacFarlane, 902-424-6274.

Proposed Assessments

It is the Mission of Municipal Relations "To provide service in the support of effective local government, adequate, affordable housing, equitable property valuation and an integrated land information system." In support of that Mission, the Department adopted a strategic client service plan to improve service to property owners and municipalities.

In particular, the Division set out to improve the quality of assessment services to both municipalities and to property owners, large and small. Municipalities, who are responsible in Nova Scotia for establishing tax

rates and property tax collection, wanted better, more timely information and property owners wanted greater stability than had been possible when reassessments were carried out irregularly.

In establishing these strategic objectives, the Department recognized the endemic confusion about who was responsible for property assessment and for tax collection and about the effects of changes in assessed property values on taxes paid. The Division also recognized that, historically, it had attracted largely unfavourable coverage in the news media.

♦ The Strategy

In 1995, the decision was made to replace assessments every three years with annual province-wide reassessments. The move to annual assessments was made possible by the acquisition of technology which had made possible the computer assisted mass appraisal which had been successfully implemented in 1993.

Additionally, the Assessment Services Division decided to become the first Canadian jurisdiction to provide property owners and municipalities with a preliminary notice of their intended assessment as a way of initiating dialogue outside of the formal property assessment appeal process. The preliminary notices were provided six months prior to the release of the formal property assessments, effectively increasing the period of consultation and dialogue from 21 days to six months and 21 days.

By introducing annual reassessments and by providing a proposed notice of assessments, the Division hoped that municipal governments and property owners would recognize an improvement in service and it hoped to reduce the number of appeals. It also hoped to build understanding of the assessment/taxation relationship and to introduce greater balance into coverage by the news media of assessment issues.

Preliminary notices were first sent in the summer of 1996, and an Assessment Information Line was established to manage calls. Subsequently, preliminary notices were mailed only to those property owners whose values increased by more than three percent. Through newspaper advertising, an updated assessment notice, media coverage, and other communications, all property owners were advised of the change and encouraged to call the toll-free Assessment Information Line for information on their property.

♦ The Tactics

The Division recognized that the interests of large property owners, of municipal governments, of appraisal firms, of individual residential property owners and of those working in the Department would differ. Accordingly, relevant messages were developed for each audience and they were delivered through a variety of tactics including paid advertising, newsletters, face-to-face meetings, media releases, speeches, training sessions and through the Assessment Information Line established especially for this purpose.

The general public was advised of changes in the assessment system through print advertising and news stories. Information kits and briefings were proactively provided to the news media. Meetings were held with large property owners, organizations representing property owners and municipalities. Departmental staff was provided with information kits, training sessions and regular updates.

♦ The Results

Since the first preliminary notices were mailed to Halifax-area taxpayers in July of 1996, the Assessment Information Centre has managed in excess of 15,000 telephone inquiries through the "Assessment Information Line" in the four week period after notices were released. The establishment of this information line was successful in at least six areas.

1. Professional, highly skilled assessors, once relieved by the Assessment Information Centre of work which can be done by others, are now devoting more time to the most challenging valuation issues.

2. More than 50 percent of callers to the Assessment Information Line report that they will not appeal their assessment based on their conversation with a Tele-Service Representative or an assessor.

3. The Assessment Services Division has enhanced its relationships with municipalities and individual property owners as a result of more and better information being delivered in a timely fashion.

4. Staff within the Assessment Services Division report that they feel more confident as a result of more balanced media coverage. Some also report they feel more fulfilled because the Assessment Information Line relieves them of routine work.

5. The news media now delivers more balanced coverage of assessment issues. There is now less controversy and fewer cases of inaccurate information being carried.

6. The Division now has a better understanding of its clients and their needs and is better able to evolve programs to serve specific groups like senior citizens more effectively. Here is what our clients are saying...

Summary of survey responses:

	Sum 96	Jan 97	Sum 97	Jan 98	Sum 98	Jan 99
#notices	130000	512000	24000	515000	28000	533000
#inquiries	14000	32000	16000	15000	14000	17000
%managed by call centre	48%	68%	82%	82%	92%	95%
satisfied with Info Line	58%	66%	70%	71%	65%	67%
satisfied with assessors	62%	55%	63%	66%	60%	84%
courteousness	84%	74%	80%	88%	79%	92%
expertise & knowledge	65%	41%	60%	70%	70%	80%
ability to answer	56%	57%	60%	64%	65%	75%
response time	49%	70%	80%	77%	61%	75%

While the department has achieved considerable success in improving communications with key constituencies and while the number of appeals has been reduced, the department believes further improvements are possible.

The department understands, for example, that many who appeal their assessments do so without talking to the "Assessment Information Line" or to an assessor. And while the department recognizes that those who appeal their assessments typically say their assessments are "too high," the department believes there may be other factors which influence decisions to appeal.

The expectation is that through better understanding of these factors which contribute to the decision to appeal, interventions can be developed which could lead to a further reduction in the number of appeals and greater confidence in the assessment process among both municipal units and individual property owners.

In addition to the feedback the department solicits from property owners, municipalities report they are more satisfied. Municipalities were polled after the release of the proposed notice in the summer of 1998 regarding their opinions about annual reassessments and service from the Assessment Services division. The overall perception of Assessment Services among municipalities is positive with nearly 55 percent saying, "good or excellent." About 82 per cent said they believe proposed assessments are a good idea. Over one-third said that the proposed notice allows them to more accurately plan their annual expenditures. Timeliness and efficiency were two areas municipalities noted the department could improve service.

The division also contracted focus testing of appellants to probe reasons for appealing beyond, "My assessment was too high." Essentially participants responded that they did not trust government in general, and had no real faith in the formula used to value properties. They said they'd have greater confidence in the process if Assessment Services personnel were more visible in their neighbourhoods. Coincidentally, the survey conducted with municipalities revealed that they, too, felt increased visibility of assessors would help build confidence in the process.

The Assessment Information Line

The Assessment Information Line was established at an outside call centre designed specifically to handle peak inquiry periods in an efficient and timely manner. A custom-built software interface was developed to ensure that inquiries could be managed within pre-determined response times and to meet established quality standards. The system was designed to provide the Department with accurate information downloaded in a timely fashion.

Telephone Service Representatives (TSRs) were specially trained for the application. In addition to their call management training, the TSRs attended property assessment/appeal seminars, toured the regional assessment office, and participated in simulated telephone inquiries.

The division initiated a program of performance evaluation conducted by an external organization. Performance criteria were established and benchmark research undertaken. At the end of each phase, additional research was undertaken to document progress (see graph on previous page). Every procedure in Assessment Services was open to scrutiny as the division sought to deliver demonstrable enhancements to its service.

Assessment Information

There are four types of clients within Assessment Services that have access to different property assessment information. They are:

1. The property owner
2. The appellant
3. The public (non property owner, non appellant)
4. The municipal unit

♦ **Information available to the property owner**

Under Freedom of Information and Protection of Privacy (FOIPOP), the assessed property owner is entitled to see everything in their property assessment file except for legal opinions. Information is tied to the property, not the person, so a new owner is allowed to see all previous data, including sales history.

A person who is not the owner of the property must have written consent of the owner to see the property assessment file. Legal opinions (in the form of directions, advice, letters, comments, etc.) Are not public information. Once a property is appealed, different rules apply (see Assessment Information Requested from an Appellant).

Typical information that a property owner is entitled to:

- All information in the file, including sales history. The only exception is correspondence to and from your lawyer and legal opinions.
- All faxes relevant to their property. Faxes are considered original

documents and are accepted for filing purposes or for admission as an exhibit in a court hearing.

- All e-mails relevant to their property.
- The client is entitled to a copy of their file at no charge. Charges may apply to corporations and/or agents at the regional manager's discretion.

♦ Information available to appellants

FOIPOP does not apply when the property is appealed. Instead, the *Assessment Act* provides for information to be obtained through the court process. Different rules apply depending upon whether the appellant is the property owner or not.

The appellant who *owns the property* is entitled to see all information as noted above.

An *appellant who does not own the property* has access to the information from the file by way of subpoena.

♦ Confidentiality

Whenever the appellant or agent of the appellant contacts the office requesting additional information on the property, staff must advise that the information relayed is confidential and must only be used for the purpose of the appeal.

♦ Information available to the public

Clients looking for information on a property other than property owners, appellants or municipal units may have access to all information that is on the assessment roll *other than the mailing address*.

Assessment Services wishes to provide appropriate information to our clients. We are also committed to protecting the privacy of individuals in accordance with the Nova Scotia Freedom of Information and Protection of Privacy Act.

Two important sections of the Nova Scotia Freedom of Information and Protection of Privacy Act that we must keep in mind when releasing information are Subsection 20(3)(i), Presumed unreasonable invasion of

privacy and Subsection 27(c) Disclosure of personal information.

- **Presumed unreasonable invasion of privacy**

(3) A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy if

(i) the personal information consists of the third party's name together with the third party's address or telephone number and is to be used for mailing lists or solicitations by telephone or other means.

- **Disclosure of personal information**

27 A public body may disclose personal information only

(c) for the purpose for which it was obtained or compiled, or a use compatible with that purpose.

Regional managers are responsible for ensuring that all staff are aware of these procedures and that they are adhered to.

Applicants requesting information under the Freedom of Information and Protection of Privacy Act (FOIPOP) must contact the departmental FOIPOP administrator responsible for the desired information. FOIPOP Act administrators are listed under each department, agency, board and commission in the Government Bodies section of the directory. For more information on FOIPOP, please see **http://www.gov.ns.ca/govt/foi/contents.htm**

- **Information available to the municipal unit**

Section 178(2) says that a municipality has the right to any assessment information that is required for municipal purposes. This only applies to non-appeal situations. Once the property is appealed, the municipality no longer has any right to this information because the information is not for a municipal purpose but is for the purpose of the appeal.

- **Can we charge for information?**

As a rule, Assessment does not charge for information. If the work or effort is extreme, the Regional Manager may consider charging.

Chapter 4
The Appeal Process

This chapter highlights important facts about the Nova Scotia Property Assessment appeal process. It includes information on the regional court level and the Utility and Review Board level.

The Appeal Process

There are two level of appeal courts available to property owners of Nova Scotia. The first level is the Regional Appeal Court and the second is the Utility and Review Board (URB). The chart on the next page summarises the steps and levels involved.

Assessment notices are mailed to property owners in January. If a property owner decides to appeal their assessment, they must do so within 21 days from the date on their January assessment notice.

When property owners receive their formal assessment notice in January, they should ask themselves if it is a reasonable estimate of market value as of the date it is based on. If they feel it is not, then they should contact Assessment Services and talk to an assessor prior to appealing.

To appeal, property owners fill out the appropriate section on the assessment notice or write a letter stating why they are appealing. This notice must be received by the Assessment Office within 21 days of the date on the notice. The notice of appeal may be mailed, faxed or hand delivered to a Regional Assessment Office.

When the Assessment Office receives the appeal, it is assigned to an assessor who will contact you and review the assessment and matters of concern. One of three things may result :

1. An adjustment of either an increase or decrease is made to the property and an amended notice is sent out. If you are still dissatisfied, this notice may be appealed within the next seven days.

2. The appeal may be withdrawn.

3. The appeal is referred to the Regional Assessment Appeal Court and notification of the time and date of the hearing will be sent to you.

ASSESSMENT APPEAL PROCESS OVERVIEW - Nova Scotia

Taxpayer received assessment notice and decides to complain.

We encourage property owners to call their assessment office and talk to someone about how their property was assessed prior to appealing.

LEVEL 1	**STEP 1** Ratepayer files assessment complaint	**STEP 2** Director reviews appeal & sends amended notice	**STEP 3** If ratepayer disagrees with amended notice, go to Level 2.
LEVEL 2	**STEP 4** Original appeal or appeal of amended notice to the Regional Assessment Appeal Court (provincial)	**STEP 5** RAAC hold hearing & makes decision	**STEP 6** If either party disagrees, go to Level 3.
LEVEL 3	**STEP 7** Appeal goes to the Nova Scotia Utility & Review Board	**STEP 8** NSURB holds hearing & makes decision	**STEP 9** On question of law or jurisdiction, go to Level 4
LEVEL 4	**STEP 10** The appeal proceeds to the Nova Scotia Court of Appeal	**STEP 11** Court of Appeal hears case	**STEP 12** **Court of Appeal makes decision**

About Court

Most courts are informally held in a meeting room within the assessment office. Usually at this level, there will be an assessor, the appellant and a Regional Appeal Court member. The Appeal Member will ensure that the Appellant understands that the Court is objective and that the Assessor is there to defend the assessment. The Member will also ensure that the Appellant understands that there is no relationship between the Appeal Member and the Assessor.

♦ **Regional Appeal Court Members**

The Regional Assessment Appeal Court has been established and members appointed in accordance with the *Assessment Act*, R.S.N.S. 1989, c. 23. Appointment periods are specified by the Minister of Service Nova Scotia and Municipal Relations.

The Minister of Service Nova Scotia and Municipal Relations recommends appointment of regional appeal court members to the Executive Council. Recommended appointments then go to the Standing Committee of Human Resources.

♦ **Evidence**

There are no specific requirements as to what may be submitted as evidence, and in this regard, most Regional Assessment Appeal Courts are more flexible than the County Court or Magistrates Court. The Court may refuse to allow the introduction of irrelevant, prejudicial or other evidence.

♦ **Open Court**

It is preferred that the Court be open unless there is a request that the Court be closed, and the Appeal Member determines in that instance that the Court is closed to the public. However, this is a matter within the discretion of the member responsible for that court.

♦ **Swearing of Witnesses**

Swearing of witnesses is left to the discretion of the individual Regional Assessment Appeal Court Member.

- **Scheduling of Hearings**

Experience has indicated that in most regions four *residential* appeals per hour can be heard. This may vary with complexity of case, amount of evidence, etc. With respect to time allocated for *commercial* appeals, the Director of Assessment and/or the Appellant's lawyer may be consulted as to probable time required.

It is suggested that when an appellant has a number of properties appealed in different districts within an assessment region, these appeals should be heard at the same time whenever possible, so that the Appellant will not have to appear on several occasions.

> Remember...
>
> Usually the scheduling of the appeal court is done in consultation with the Regional Appeal Court Member, Recorder and Assessor. Although the final decision rests with the Regional Appeal Member, a cooperative approach with consultation of all parties is attempted where possible.

- **Viewing of Property**

In some instances, the regional assessment appeal court member may wish to view the property appealed.

- **Adjournments / Reschedules**

Reasonable requests for adjournments should be granted. The Court Recorder may grant an adjournment on a residential, owner occupied property if he/she deems it reasonable. If the recorder grants an adjournment, the Appeal Member will be notified of the new date and a new docket sent out. If the docket indicates a reschedule, a decision is not necessary. If a second adjournment is requested, the Appellant or Assessor must appear in court at the scheduled time and request an Adjournment from the Appeal Member.

If the Appeal Member grants an adjournment in court, the member should, while court is sitting, announce the day court will hear the appeal. If the Appeal Member adjourns the hearing without day, it will be necessary for the recorder to send out a new Notice of Hearing by certified mail once the new date has been set.

If the Recorder receives a request for adjournment that needs the decision of the Appeal Member, a written request will be forwarded to the Appeal Member scheduled to hear the appeal and to the Assessor going to court. The Appeal Member should make a decision on the adjournment as soon as the request is received and notify the Court Recorder with the decision and a new date, if necessary, as soon as possible.

Normally, when there is an appeal before the Nova Scotia Utility and Review Board and the same matter goes before Regional Court, the Regional Court should be adjourned until a decision is received from the Nova Scotia Utility and Review Board.

♦ **Conflict of Interest**

If a member of Court has a conflict of interest and is unable to hear a particular appeal, they should contact the Recorder of the appropriate region as soon as possible after receipt of the docket. If there is no other member of the Assessment Appeal Court appointed for that region who is able to hear the appeal, the Recorder should will make arrangements for the appointment of an Appeal Court Member of another region to hear the appeal.

♦ **Decision Forms**

Regional Appeal Court Members are required to return a decision to the Recorder within the 60 day time limit period specified in Section 74(2) of the *Assessment Act*.

Information available to the municipal unit

Section 178(2) says that a municipality has the right to any assessment information that is required for municipal purposes. This only applies to non-appeal situations. Once the property is appealed, the municipality no longer has any right to this information because the information is not for a municipal purpose but is for the purpose of the appeal.

♦ **Costs**

Section 82 of the *Assessment Act* provides that the Regional Assessment Appeal Court is not authorized to award costs. Costs can be awarded at the

URAB level. At the URAB level, the Costs Rules provide that the Board may award costs against an appellant who fails to attend a hearing or to send a representative to a hearing.

The Board should only award costs if the conduct of the Director of Assessment (or your conduct on his behalf) is found to be clearly unreasonable, frivolous or vexatious. The Costs Rules set out some examples of conduct which may be found to be clearly unreasonable, frivolous or vexatious:

- action or failure to act in a timely manner, which results in prejudice to another party;
- failure to attend a hearing or to send a representative to a hearing;
- failure to cooperate with another party during preliminary proceedings or the hearing;
- failure to comply with a procedural order or direction of the Board, which has resulted in prejudice to another party;
- continuing to deal with issues which the Board has advised are irrelevant.

How the Assessor prepares for court

The grounds for appeal will determine how an assessor prepares for court. The first step in most cases is to contact the appellant to discuss the grounds for appeal and determine whether an inspection is necessary.

If sales are relevant to the grounds of appeal, a range of sales will be relied on as the primary defence of the appealed assessment value. That is, sales of properties which are similar to the subject respecting such criteria as; location, dwelling size, dwelling amenities, basement finish, age, condition, market influences, garage, etc.

If the number of comparable sales is lacking, the Assessor expands the perspective of similarity, i.e., to identify the next best, similar data. This is reasonable and consistent practice within the appraisal profession. This will vary with circumstances regarding; dwelling type, classification, physical factors, market influences, etc. Examples follow;

If similar sales are lacking during the sale date time frame, sales which may have occurred prior or subsequent to that time frame will be used.

If sales of a given dwelling type are lacking, the next closest type would be considered, e.g., bungalow sales with finished basements if a lack of bilevel sales.

Sales of higher classification dwellings are often scarce in smaller less developed Municipal Units. If comparable sales are lacking after attempting the above scenarios, it is reasonable to look to an adjoining Municipal Unit for similar sales data.

Appendix A

Frequently Asked Questions and Answers on Assessment and our services:

1. General Property Assessment Questions:

Q. What is an assessment?

A. An assessment is an estimate of a property's market value as of a certain date.

Q. How is my assessment determined?

A. Your assessment is determined by experienced assessors who are trained to value all types of real estate. The data they collect comes from a variety of sources. Provincial assessors review sales in your neighbourhood and have access to building permits issued by the municipality. You are required to take out these building permits to make significant improvements to your property. Assessors complete on site and other inspections of properties when needed. For example, a physical inspection would be done to verify information if your property is under construction.

Data is maintained on data bases that enable staff to analyse sales and identify trends and common units of comparison. Land and buildings are assessed. Statistics are applied to identify market conditions. Staff look at changing costs in construction and renovation to identify how much it would cost to build your house and modify the value to reflect market conditions as of a specific date. This process of valuing properties provides consistency between your property assessment, market conditions and those of other properties in similar neighbourhoods. We have a pretty accurate picture of what your property looks like. Our data base has information on your lot, construction detail and features such as fireplaces, basements, garages, number of bedrooms and baths.

Q. Why did the Service Nova Scotia and Municipal Relations move to yearly assessments?

A. Yearly assessments enable the Department to update assessment values to reflect more current market trends and to more accurately account for changing real estate market conditions. This means your property assessment will be closer to what it may sell for on the market. The decision to move to yearly assessments is in part due to the introduction of computers and the ability to respond to requests from property owners, real estate appraisal firms, the business community and municipal governments. The annual reassessment coupled with advanced notice of proposed assessment, has resulted in an assessment role which is a solid, accurate reflection of market value.

Q. How will yearly assessments benefit me?

A. Consistent with other government initiatives, the transition to yearly assessments means greater efficiency and improved service for Nova Scotians. Beginning in January 1997, your property was assessed every year. This means that every year your assessment will reflect a more current market value. Right now, your assessment reflected market value as of January, two years back. In other words, your assessment received in January 2000 reflected market value as of January, 1998.

Q. Why are the assessment values based on dates two years back? Why not base them on this year s market value?

A. We are able to provide these new, up-to-date assessments because we've introduced new computer technology over the past couple of years. As a result, we spend more time analysing all property sales to understand and interpret what people pay for their properties in each neighbourhood, and why they pay that price. We analyse over 20,000 property sales province wide, to determine what all other properties may be worth in your neighbourhood. It takes a lot of time to contact new properties and to investigate, collect, analyse and interpret these sales. As we continue to improve our capacity to manage this information, we hope to move to the year immediately preceding the new assessment.

Q. Sometimes I hear the term preliminary roll used. What is that?

A. The preliminary roll is simply a listing of all assessable property in a municipality. It shows the name of the property owner, location of property and the proposed assessed value. This is public information which means you can check what other properties in the province are assessed for.

Q. Why did I receive an assessment notice in the summer and another in January?

A. Those property owners whose assessments increased by more than three percent received a proposed assessment notice in the summer previous to it being mailed in January. We send it out in advance of the formal notice in order to provide those property owners an opportunity to consult with us and get information from our staff that could save them the time and effort of filing a formal appeal in January.

The review process for assessment notices mailed in January is more formal because an appeal must be filed in order for adjustments to be considered. Without an appeal, the results of a review could only be applied to the next assessment year.

Q. Will the value of my proposed assessment be the same as the formal assessment notice I get in January?

A. Unless you have made structural changes to your property, or the assessment has been adjusted as a result of the consultation process, the value on the proposed assessment will be the same as the actual notice of assessment which you will receive next January.

Q. Do any other provinces offer proposed assessments prior to the formal assessments?

A. Nova Scotia is the first province to provide property owners with proposed assessments and an opportunity to discuss any concerns with an assessor before the official assessment is distributed.

Q. Has the move to yearly re-assessments been a positive step?

A. Yes. The Department is successfully making the transition from reassessments conducted every three years to those done annually. Assessments are more accurate and current because the process allowed the Department to carefully examine and update assessments last year, often in consultation with property owners.

Service to property owners has improved particularly with the establishment of a provincial Assessment Information Call Center. Follow up surveys with callers revealed nearly 70 percent believe proposed assessments are a good idea.

Other provincial governments have been impressed by our progress and have called us for advice so that they can implement similar programs.

2. Your Assessment Notice:

Q. What do I do with my assessment notice in January?

A. It is not necessary for you to do anything with it. If, however, you believe the assessed value is not a reasonable estimate as of the date indicated on the notice as the base date, you have the option to appeal the assessment. We encourage you to call us before you appeal so we may answer your questions. If you still wish to appeal, instructions can be found on the back of your assessment notice. The appeal must be received by our office within 21 days of the date on your notice.

Q. Why did I receive an assessment notice in the summer and another in January?

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A. Unless you have made structural changes to your property, or the assessment has been adjusted as a result of the consultation process, the value on the proposed assessment will be the same as the actual notice of assessment which you will receive next January.

Q. I appealed my assessment last year. Is the change reflected in this year s assessment?

A. Remember, your formal assessment is based upon market value data as of a certain date. Your assessment is re-calculated using market value data as of a new date every year. Please call your regional assessment office if you would like additional information on how your appealed assessment relates to your current assessment.

3. If you feel your assessment is not fair:

Q. What if I believe an error has been made to my assessment?

A. The assessment of property is a sophisticated process undertaken by professional valuators. Before arriving at an assessed value, professional assessors access an enormous amount of data, including sales data from recent property sales in the same area. Further, the adjustments made to values after the delivery of proposed and formal assessment notices over the past 18 months means the Department has an assessment roll which it is confident is a solid, accurate reflection of market value.

Nevertheless, errors sometimes occur. If you believe your property has been assessed improperly, it is necessary to follow the instructions on the back of your official assessment notice. The appeal must be received by our office within 21 days of the date on your January assessment notice.

Q. Should I expect my assessment to increase or decrease from year to year?

A. Your assessment will reflect what is happening to property sales in your neighbourhood and will also reflect those factors which may enhance or detract from your property's value. The amount of change varies from neighbourhood to neighbourhood throughout the province.

Q. I appealed my assessment last year. Is the change reflected in this year s assessment?

A. Remember, your formal assessment is based upon market value data as of a certain date. Your assessment is re-calculated using market value data as of a new date every year. Please call your regional assessment office if you would like additional information on how your appealed assessment relates to your current assessment.

4. Tax Questions:

Q. My tax bill has gone up. Did it go up because of the increase in my assessment?

A. The Department of Housing & Municipal Affairs determines your assessment value which is used by your municipality to determine your fair share of taxes. Each municipality sets its own tax rate depending upon how much money it needs to support services such as police, fire, streets, lighting, schools, garbage, etc. The tax rate is determined by dividing this money by the total taxable assessment within the municipality.

Q. Will my taxes be affected by a change to my assessment?

A. Our professional assessment staff carefully update assessment values each year to ensure fairness and uniformity across the province. Your assessment value is used by your municipality to determine your share of taxes. Each municipality sets its own tax rate depending on how much money it needs to support services such as police, fire, streets, lighting, schools, garbage, etc. The tax rate is determined by dividing this money by the total taxable assessments in the municipality. If you think your proposed assessment value is fair, but are concerned about what you pay in taxes, you should speak with your municipal representative.

Q. Is the Department going to increase my property assessment every year?

A. We are reassessing properties every year now. This means that every year your assessment is changed to reflect market value in your neighbourhood as of a certain date. We used to do this every three years which meant that you did not see the changes occurring each year but in most cases you saw a larger change once every three years.

The Department switched to yearly assessments to provide more accurate, up to date property assessments. These had been requested for some time by property owners, businesses and municipalities.

5. Other Assessment Questions:

Q. What information can I have access to?

A. The Service Nova Scotia and Municipal Relations has a huge data base that contains detailed information on every property in the province. Typical information we have on a residential property would include the size of the land, the building's age and measurements, the number of rooms, bathrooms, quality of materials used, type of roof, and any unique qualities your property or house has that may affect its market value. All of this information is available to the owners of the property.

In addition, you can see the assessed value of other properties. Location and assessed values are public information.

Q. Do you visit every property each year?

A. Our schedule of field visits is determined by property sales, building permits and identified changes, appeals, requests for visits and inspections and planned property inspections.

Q. Why do assessments change?

A. The most common reason for change is that the value of your property has increased or decreased due to changes in market values in your neighbourhood. Other reasons might include new construction, renovations or demolitions.

Q. What happens when I contact your office?

A. When you contact our office, an assessor will be pleased to discuss your property assessment with you.

Q. How do I find out more information about assessments?

A. For information about the assessment process call your regional assessment office.

Q. What is an assessment? How is it different from an appraisal?

A. An assessment is an estimate of a property's market value as of a certain date.

Your assessment for 1998 is an estimate of your property's market value as of the Base Date January 1, 1996. Your assessment for 1997 was an estimate of your property's market value as of January 1, 1995. If you were to get an appraisal for your property today, it would be an estimate of your property's market value as of today's date. That is how assessments and appraisals differ.

Q. The preliminary roll, or proposed assessment or prefiling process - will this become a yearly process?

A. We will study and evaluate the effectiveness of this process and make recommendations as to whether or not we will continue it on a yearly basis. Your feedback is important in making this decision. After the proposed notices were released last summer, we conducted a study which showed that 70 percent of respondents thought that making proposed notices available was a good idea.

Q. How are assessments calculated?

A. The DHMA values properties through a computer-assisted mass appraisal process. Not every property is assessed individually. A property assessment takes into account three main factors:

LAND The value of the actual land on which the house or building sits.
BUILDING The value of the buildings that sit on the land.
MISCELLANEOUS The value of any miscellaneous additions or improvements that make up the rest of a given property.

When added together, these three factors give us the assessment value for a given property. The DHMA then takes this proposed assessment value and tests it against the actual property sales that took place during the Base Year Evaluation (3-6 months on either side of the Base Date). Together, the value of the initial assessment and the value of the appropriate property sales make up the final, formal assessment amount.

Our assessments reflect homes of average condition, with average wear. We do not assess properties as though they were brand-new, nor as though they were completely run down.

More details about how properties are valued:

Regarding the land value: Two standard city lots (60x100 feet) may be valued differently if they are located in different neighbourhoods. This is due to a difference in their sale price, as calculated through our comparative study of property sales during our Base Year Evaluation Period.

Regarding the building value: Building value reflects the replacement cost for re-construction of the building as of the Base Date. We factor in all of the physical characteristics of the structure (# of floors, # of rooms, # of bathrooms, type of sewage), as well as the quality of workmanship and building materials that went into the construction, and derive our building value from these figures. Subtracted from this is depreciation, which is factored in mathematically over the time.

Regarding miscellaneous improvements: Improvements or additions made outside of and not a part of the main residential building(s) are added separately to the assessment value. Improvements such as an in-ground swimming pool, detached shed, garage, barn or greenhouse would add to the assessment value. Improvements such as landscaping, fences, or minor interior renovations or improvements would not affect the assessment value at all.

Appendix B
Important Assessment Dates and Time Frames

	Date or Time Frame	Comments
Filing of the Assessment Roll	Before the 31st day of December.	The assessment roll reflects the state of the property as of the State Date.
State Date	December 1st immediately preceding the filing of the roll.	
Base date	January 1st, two years back.	The date that the assessments in a municipality are set for that particular assessment cycle.
Assessment Notices	Formal notice delivered in January.	Delivered to all property owners in Nova Scotia.
Proposed Notice	Summer	Proposed Notice delivered to those with more than a three % increase at the time of mailing date.
Appeal Period	21 days	21 days after the date on the Assessment Notice. Non-residents have ten days past the 21 day period.
Appeal of amended notice	Within 7 days after service.	
Notification of hearing	6 days	At least 6 days previous to the day to which the appeal will be heard.
Notification of decision	60 days	Given to the Recorder within 60 days after the appeal has been heard.
Appealing to the URB	30 days	30 days from receipt of the Regional Appeal Court Decision.
Appealing to Nova Scotia Court of Appeals	30 days	30 days from the date of the Order.

Appendix C
Regional Assessment Offices: How to contact us

Central Regional Assessment Office 780 Windmill Road Dartmouth NS B3B 1T3 ph: 902 424 5225 fx: 902 424 0586 1 800 667 5727	**Western Regional Assessment Office** 87 Cornwallis St. Kentville NS B4N 2E5 ph: 902 679 6106 fx: 902 679 6175 1 800 280 8979
Northern Regional Assessment Office 136 Esplanade St. Truro NS B2N 2K3 ph: 902 893 5800 fx: 902 893 6101 1 800 280 8963	**Eastern Regional Assessment Office** 500 George Place Sydney NS B1P 1K6 ph: 902 563 2150 fx: 902 563-0513
Southern Regional Assessment Office PO Box 470 270 Logan Rd. Bridgewater NS B4V 2X6 ph: 902 543 2267 fx: 902 543 0675 1 800 380 7775	**Port Hawkesbury Assessment Sub Office** 811 Reeves St. Chediac Plaza PO Box 480 Port Hawkesbury NS B0E 2V0 ph: 902 625 4250 fx: 902 625 4093 1 800 529 7708
Yarmouth-Clare Assessment Sub Office 10 Starrs Rd. Yarmouth NS B5A 2T1 ph: 902 742 7143 fx: 902 742 0675 1 800 532 8880	**Head Office** 216 Lower Water Street P.O. Box 216 Halifax NS B3J 2M4 ph: 902 424 5671 fx: 902 424 0587

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Section 4.1

Performance Appraisals for Municipal Employees

Introduction

Performance appraisals importance can not be understated.

A performance appraisal or evaluation is a method of measuring an employee's achievement in an organization. Its importance cannot be overemphasized. It can be one of the most important tools for municipal managers to encourage and develop an effective and productive work force with high levels of job satisfaction. A good performance appraisal system provides employees with an indication on how well they are doing and provides them the necessary direction to improve on or build on their skills as a municipal employee. The performance appraisal provides the opportunity for the employer and employee to discuss and agree on future performance goals. In such organizations, a good performance appraisal system is a "win win" situation for the municipality and the employees.

In the absence of a regular and formalized performance review, the employees may develop traits and behaviors which are unacceptable. Such traits and behaviors may simply become further ingrained without the opportunity of feedback. When it is decided to take corrective action the problem has become so deep-rooted the final option to dealing with the situation is to consider a major reorganization or the termination of employment.

At the other end of the spectrum, where an employee is doing exceedingly well, but with no positive feedback, the employee is left to guess whether their performance is adequate or appreciated by the employer. Consequently, the employee's quality of work may deteriorate or they may seek another employer who better appreciates their efforts.

In either circumstance, the results are the same with the loss of an employee, who could have become or was a valuable asset to the municipality. To a large degree, these situations could have been avoided by a proper appraisal system.

Having said all of this, one should not consider a performance appraisal as a substitute for effective supervision. A manager must be reviewing

and providing positive feed back and direction on a constant basis to employees. A good manager does not accumulate a list of employee problems and then only raise them at the performance appraisal. A performance appraisal should be viewed as an opportunity to move forward in a positive manner, not an event for an employee to dread.

What are the reasons for not doing a formal performance appraisal?

The lack of performance reviews is due to a number of factors:

- performance appraisals were never conducted in the past and the tradition has continued;
- there is the lack of expertise or appropriate formats for conducting appraisals;
- there is the apprehension on the part of the employee that there may be an ulterior motive for performance appraisals; and
- the concern that a performance review automatically results in a salary increase.

The benefits of performance reviews have been well established in both the public and private sectors, no matter how large or how small. This review provides the benefits of appraisals for both the individual and the municipality, the types of issues that need to be considered in developing an appraisal system and finally a suggested model policy of performance appraisals and a simplified format for conducting appraisals. It should be noted, however, for an appraisal system to be truly beneficial for both the employer and employee, both should be involved in the final design, where a committee of managers and employees would work together to design a standard format best suited for their municipality. The final version should be endorsed by council, management and the employees.

The following material is based largely on reports on performance appraisals from the Alberta Municipal Affairs Department, the Maritime Municipal Training and Development Board, the Halifax Regional Municipality and the Nova Scotia Department of Human Resources. This material deals primarily with municipal staff other than the Chief Administrative Officer and the most senior managers or directors.

What is a performance appraisal?

Performance appraisals can fulfill a variety of functions, including:

- A performance appraisal is an assessment of how well an employee is fulfilling the requirements of their job and the expectations of the employer.
- It is an opportunity to share perceptions of performance and organizational concerns between the employer and employee.
- The performance appraisal involves an assessment of the employee's behavior and the achievement of specific objectives.
- The appraisal process should include a two way dialogue between the employee and employer.
- Performance appraisal is also a dynamic and continuous process of evaluation and feedback between the employer and employee on the following:
  - goal setting for the employee and municipality
  - review of performance
  - defining job expectations
  - appraising progress
  - establishing further training needs

Appraisal System Process

There are several key objectives in developing a comprehensive performance appraisal system. The goal is to encourage a working environment which is mutually beneficial to both the employer and the employee.

Subjective and Objective Considerations

1. A comprehensive performance appraisal system should focus on results as well as more subjective features such as personality traits and work habits. For a more junior employee or an employee with a very defined or narrow range of tasks, the performance may be more weighted towards objective features. While a more senior employee or those where the range of tasks is broad, there should be a greater reliance placed on subjective considerations.

Two Way Dialogue	2.	To provide the opportunity for two way dialogue, the appraisal should be structured where the appraiser and employee can discuss both corporate and individual goals, issues and problems. The supervisor should seek input from the employee on their objectives and goals both personal and within the organization, and any concerns they may have. It should be in a setting where the employee feels sufficiently comfortable to carry on an honest and straightforward discussion.
Consistency for all employees	3.	The appraisal process should be consistent for all employees to ensure fairness for all concerned. This can be accomplished by ensuring all managers who conduct appraisal have had the same level of training and the same format and techniques are used to maintain consistency.
Continuous appraisal	4.	The appraisal process should be an ongoing program of performance review and counseling. In other words, it should not simply occur just once or twice a year, but it should be dynamic and continuous. On this aspect, the distinction between effective supervision and an ongoing performance review does overlap to a certain degree. However, the performance review would concentrate more, for example, on the achievement of the employee's goal and listing of accomplishments. The effective supervision would concentrate more on providing direction and building on the employee's skills and confidence.
Documentation of Problems	5.	If there is a situation where employee termination is required, the performance appraisal system should provide the evidence that the employee and employer met regularly and honestly to discuss problem areas to avoid any legal complications. The appraisal should illustrate the two parties strived to develop an action plan to resolve the problem or determine corrective action. Termination should be considered the last course of action, where it can be demonstrated that the employee was unable or unwilling to make the necessary performance changes required for their position.
Identify staff training	6.	An appraisal process should be able to identify and establish practical staff training programs which would be beneficial for both parties.

Compensation

7. Performance appraisals provide the documented evidence required to determine any compensation decisions. A compensation system for a municipality, however, is a topic onto itself and will not be reviewed in detail in this section.

Employee s Problems

8. A proper performance appraisal process would provide the employee the opportunity to discuss personal circumstances, which may be affecting their work performance. For example, if an employee were facing problems in their personal life which was affecting their job performance, the employer might be more understanding to the situation.

Identification of outstanding employees

9. The performance appraisal system provides the employer the opportunity to identify those employees whose performance is exceptional. In such situations, the employer can use the opportunity to provide praise and identify promotion possibilities that would be mutually beneficial.

Enhance Staff Morale

10. A performance appraisal process should enhance employee morale due to the increased levels of communication. Evidence has illustrated in work environments, where open, honest and ongoing dialogue is a normal aspect of an organization, the employees will approach their duties with increased confidence and satisfaction, while the employer should be able to realize a greater level of motivation and commitment from the employees.

Options for Conducting Performance Appraisals

There are a variety of techniques to conducting a performance appraisal. The best approach is the one which best fits your organization. The following list is not exhaustive, however, it does provide a brief review of the spectrum of techniques available.

1. Narrative Appraisals

These are fully written, comprehensive analysis of the individual's performance, which outlines the strengths and weaknesses of the employee. These are subjective and rely on the qualities of the employee being appraised rather than on any

objective or measurable criteria. These are open ended descriptions of individual performances based on the outline of duties of the position as delineated by the person's job description.

2. Goal Setting and Review

These include the listing of a series of goals and objectives, which are agreed upon by both the manager and employee. The criteria are used to establish whether the employee has accomplished the objectives. These achievements are directly measurable and therefor the subjectivity is reduced.

3. Rating Scales

This technique includes the listing of factors or attributes which can be described by a word or phrase to provide a checklist for rating an employee. Some of the topics could include personality traits (integrity, initiative, cooperation, etc.), quality of work, judgement, communication skills and job related skills. The employee is then rated on each factor according to the supervisor's impression on how well the person performed on a scale of one to ten, where one is unsatisfactory and ten is outstanding.

4. Employee Ranking Method

This technique requires the manager to compare the employee within the same work group. The comparison is based on the bell curve, where 20% would be in the top group, 20% would be in the worst group and the rest would be in the 60% or middle. This technique is also highly subjective and can create division amongst fellow employees.

As illustrated with the attached sample appraisal form (Appendix 4.1b), some processes can incorporate two or more of these techniques.

The Role of the Senior Staff

As with all major initiatives, the involvement and commitment of senior staff to the implementation of a performance appraisal is critical to its success. Without this commitment, there will not be the necessary

follow through to the proper implementation of the program. Furthermore, staff will quickly conclude that it is not important and will not fully participate.

What process best fits each municipality?

Senior staff should be involved in the early stages of deciding on what performance appraisal techniques would be best suited for their departments. Primarily, they will be the ones conducting the performance appraisals and they would be able to determine what technique would derive the greatest benefits. The senior staff will also require the appropriate training and orientation in performance appraisal, not only to ensure they are conducted properly, but to be able to review with their staff the purpose and philosophy behind the performance appraisal system.

Issues to adress

The senior staff should also be prepared to address some of the other issues which might arise from staff with the introduction or changes to the current performance appraisal systems, for example:

- what impact will this process have on their security of employment, salaries and fringe benefits?
- how often will the appraisals be conducted and who would be conducting them?
- would there be an appeal process for any appraisal which staff did not agree with?
- when should the reviews be conducted (normally after the probationary period and after that on the anniversary date of employment)?
- what format should the review take?

Need for Coordinator

The municipality should also have one person coordinate the performance appraisal system. In the larger municipalities this would be the personnel officer, but in the smaller communities it could be the municipal clerk. This would ensure consistency in the application of the process across the municipality's departments.

Finally, after a performance appraisal system has been operational for a period of time, the senior staff and employees should be involved in its evaluation to forward suggestions and review improvements to the system. This will ensure the appraisal process is current and relevant to

the municipality.

The Role of Employees

Employees included in the design process

Many firms and municipalities have included employees in the design of performance appraisal systems to further ensure the selection of a system which best fits their organization. Employees have a vested interest in selecting the best system. In addition, many employees have a good intuitive sense of what would and would not work for their situation, and which system would collectively derive the greatest benefits in terms of job satisfaction and career development.

Commitment from Council

Adoption of Performance Appraisal Policy

If a performance appraisal system is to be a long term success, Council will also have to be committed to the process and adopt the appropriate policy (see Appendix 4.1A). Council should be briefed on what is entailed in an appraisal process, including the advantages to the municipality and to staff, as well as a brief overview of the techniques to be used.

Format of Appraisals

The format of the performance appraisal should be straight forward and simple to use and understand without any unnecessary questions (see Appendix 4.1b). The attached sample appraisal form provides an idea of how the performance appraisal could be structured and it provides a point of departure for those municipalities which prefer to develop an appraisal form which better suits their needs.

Some of the principles which should be kept in mind when preparing for the appraisal tailored for each municipality should include the following:

Principles to consider in designing performance appraisal forms.

1. The format should be consistent for all employees on the same level in the organization.

2. The criteria used should be measurable and be recorded on an ongoing basis.

3. The results achieved by the employee should be compared to what is expected for the position and compared to other employees in the same category.

4. The number of criteria should be kept manageable and reviewed in-depth with the employee to ensure that a commitment to these outputs is secured.

5. The formalized ratings should be communicated to the employee at regular intervals, preferably twice a year.

6. Performance targets may have to be revised to account for changes in the job, increased skills and training, domestic environment or the health of the employee.

7. The employee should see their performance rating prior to the final completion of the appraisal process.

8. The employee should be given the opportunity to comment on the performance rating and record their comments. Alternatively, the employee could complete their appraisal form and compare their results with their supervisor during the interview stage of the process.

9. All employee records should be kept confidential and in the employee's personnel files.

10. The final appraisal should be signed and initialed on every page by the supervisor conducting the appraisal and by the employee to signify that both parties have acknowledged the ratings and comments on each page.

11. The employee should receive a copy of their performance appraisal.

12. Both good and poor performance appraisals should be recognized as they occur. Positive reinforcement and constructive criticism should be communicated to the employee throughout the year. The actual appraisal should not include any surprises.

13. The areas being appraised should be based on the job duties.

Simple Rating Guide

Rating Guide

The sample appraisal guide in Appendix 4.1b provides a number of categories for an appraisal. It is set for a 1 to 10 rating system, where:

1 to 4 =	Unsatisfactory
5 to 8 =	Satisfactory
9 to 10 =	Outstanding

In assessing how an individual may be rated, the following can be used as a guide, where:

- **Outstanding**: means that the employee's performance exceeds all reasonable standards and expectations
- **Satisfactory**: means the employee's objectives are generally met and behavior is very acceptable virtually all of the time; minor problems may occur, but they are not serious and they are not repetitive
- **Unsatisfactory**: means performance is consistently below standards and expectations; problems occur quite often and are repeated; there is a need for improvement

How to Conduct the Appraisal Interview

From the perspective of the employee and the manager, a performance appraisal may not be one of the most popular tasks, but with the proper preparation, it does not have to be something to dread.

The following steps are based on the Alberta Municipal Affairs review on conducting performance appraisals and provide a good direction for those who have never conducted a performance appraisal or those who wish to attempt a new approach.

1. *Plan the Approach*

Supervisor

- review employee's performance during the full appraisal period
- review employee's personnel file to review previous performance appraisal, changes in performance since the

last assessment, what training was suggested and what occurred and if there has been any changes in their job description

- review appraisal format and assess employee's performance

2. ***Schedule Appointment***

Supervisor

- decide on the best date, time and place (free of interruptions) for the interview
- set aside sufficient time for the interview
- notify employee of appraisal and confirm time, date and place
- send appraisal form to employee to fill out (if part of the process)

Employee

- review previous performance appraisal or appraisal form and determine what has changed since then
- review performance criteria
- conduct self assessment based on appraisal form
- determine short term and long term goals
- ensure that fellow employees are aware of appraisal interview and if necessary arrange for someone to cover for the time period

3. ***Conduct Interview -Opening***

Supervisor

- review format of appraisal
- outline key job responsibilities and job expectations
- review past appraisal with goals

Employee

- seek clarification on what is intended by appraisal

Conduct Interview

Supervisor

- request employee to provide feedback on the job expectations and their assessment of results achieved
- review subjective considerations, for example attitude teamwork, cooperation, loyalty
- provide comments on those aspects of the employee's performance which you consider to be above standard, be specific and use examples
- highlight those areas of performance which may be below expectations or standards, and review with employee
- based on strengths and weaknesses of performance, discuss what training would be appropriate
- seek commitment from employee to improve sub-standard areas of performance
- review employees long and short term goals

Employee

- provide feedback on position expectations and personal performance
- provide comments to supervisor on subjective aspects of job performance
- comment on areas of strengths and weaknesses
- discuss training opportunities to address weaknesses and to achieve long and short term goals
- commit to seeking necessary improvements, if necessary

Closing Comments

Supervisor

- review any final comments
- discuss the follow-up steps to appraisal
- review salary considerations, if applicable
- express appreciation for employee's candid comments
- sign off appraisal form (or later include comments from employee)
- forward copy of appraisal form to employee and to personnel file
- may want to discuss career future, as appropriate

Employee

- provide comments pertaining to their total job performance
- seek clarification on any follow-up required
- sign off appraisal form

Appraisal Obstacles

Those who have been involved in performance appraisals will recognize that problems can and do occur. By following a standard appraisal format and following the suggested procedures, many of these problems can be avoided as both the supervisor and employee are equally prepared for the appraisal and are aware of the procedure. The following list of appraisal obstacles is not exhaustive, but it does provide a few areas of concern, which should be kept in mind.

Identifying the obstacles to a proper performance appraisal before the interview.

- **Lack of commitment**: an employee can quickly sense if the appraisal is viewed as a supervisory obligation rather than a useful management process
- **Lack of ongoing feedback**: performance appraisals provide the forum for an ongoing process, whereby the supervisor provides feedback throughout the year
- **Failure to provide negative feedback**: if there is a problem with an employee, the supervisor should not make the mistake in thinking that the problem will go away, it must be addressed. In many instances the employee may not be aware there is a problem
- **Lack of training**: if there are identified weaknesses or agreed upon long and short term goals which require further training, the supervisor should follow through on their commitment
- **Focus on larger picture**: remain focused on the larger picture and do not focus on minor issues, they should only be used to make a point
- **Previous problems**: if there has been a previous problem which has been properly handled and resolved, is should not be brought up again at subsequent appraisals, except to reinforce new behaviour

- **Looking forward**: do not dwell only on past performances, it is an opportunity to develop an action plan for future improvement

- **Two way appraisal**: an appraisal session is a two way dialogue rather than a self dissection or monologue

- **Ignoring new information**: the employee should be encouraged provide information pertaining to any training programs or courses they have taken since the last appraisal or any projects they have been involved in that the supervisor may not be aware of

- **Halo Effect**: this reflects the tendency of the supervisor to evaluate an employee highly for a variety of reasons:
  - the supervisor personally gets along well with the employee
  - the employee is judged to have high potential, although they have yet to deliver
  - the supervisor may rate the employee highly because of a strength in one area, but the employee is weak in other areas
  - the employee did a great job on a project in the past
  - the supervisor feels sorry for an employee's circumstances and gives them extra credit

- **Horns effect**: this reflects the tendency of the supervisor to rate an employee lower than they deserve for a variety of reasons:
  - there is a personality or style clash between the supervisor and employee
  - the last project the employee was involved in did not go well
  - the employee is a nonconformist and is rated lower because they are different
  - the supervisor has overly high expectations for the employee
  - the employee is part of a group which has been collectively assessed poorly

Evaluating new employees

Probationary Evaluations

A probationary evaluation is to determine whether a new employee is capable of the position. The supervisor needs to carefully assess whether or not the employee will meet the requirements of the position and fit in with the municipal organization.

Most personnel problems begin with the inappropriate selection of the employees, therefore a good selection process can not be over stated. If there are a number of small problems in the first few months they should not be overlooked as they may point to larger issues or personality deficiencies.

Problem employees

Termination Evaluations

There are times when a problem may exist with a person. The key is for the supervisor to identify the problems early and then provide corrective counseling.

When performance problems persist and have been described in a regular performance appraisal, or during ongoing supervision, the matter should be dealt with immediately. In a private setting, a frank discussion should take place between the supervisor and the employee. The attention should be focused on the problem area and the seriousness of the situation should be understood by the employee.

The supervisor should explore the reasons for the problem by asking the employee for their view on why these problems have become part of their work performance. The supervisor and the employee should work together to determine what needs to be done to correct the problem and they should both seek a basic agreement and ownership for the necessary changes. The action plan should be written down and formally agreed to by both parties.

Depending on the severity of the problem, there should be a follow-up appraisal of the situation within an appropriate period of time (to be determined depending on the situation). If outside counseling is required the supervisor should refer the employee to the personnel officer or appropriate agencies (for example, drug or alcohol treatment counselor, social worker, etc.). An in-depth assessment should take place after outside counseling has been completed or has commenced (depending on the situation).

If the employee does not respond appropriately to the assessment or does not show appropriate levels of improvement the last option is the termination of the employee. The supervisor should review the legal requirements to dismissal procedures with the municipal solicitor. These should be properly documented throughout the termination process.

Compensation

Salary increase with positive performance appraisals

Invariably, the question arises as to whether performance appraisals should be tied to employee compensation. For many municipalities, compensation is dealt with separately through collective agreements which determine compensation adjustments based on length of service, combined with performance. In such situations, the performance appraisals should be seen as a valuable function on its own merits.

If compensation is to be tied to the performance appraisal system, it is critical that the municipality have a sound and defensible performance appraisal system in place which takes into account performance and merit salary increases. It is imperative that such a system is equally understood by supervisors and employees.

Conclusion

A properly designed performance appraisal system can be the cornerstone to developing and maintaining a productive municipal workforce which enjoys high levels of job satisfaction. It does require a commitment from Council, senior staff and the employees in the design and implementation.

Appendix 4.1a

Performance Appraisal Policy

The following policy is just one example of a Performance Appraisal Policy, which is largely based on the policy suggested by the Maritime Municipal Training and Development Board. Copies of their full Appraisal Policy as well as a host of other policies which are applicable to municipal government are available from the Maritime Municipal Training and Development Board (MMTDB) on a diskette. Please check their website at www.munisource.org or contact them at:

MMTDB
6100 University Avenue
Halifax, N.S.
B3H 3B7

Phone: 902-494-3712
Fax: 902-494-1961
munisource@munisource.org

Performance Appraisal Policy

It is the policy of the Municipality of _____ to ensure that formal and informal performance appraisal processes are developed and implemented.

1.0 Specific Objectives

1.1 The objectives of this policy are to:

a. establish a process whereby the work performance of each employee in the municipality can be informally evaluated on an ongoing basis

b. establish standards for quality and quantity of work

c. provide an annual formal review of each employee's work performance

d. encourage employees to continually consider their own work performance and to set personal performance standards and goals

e. assist in identifying specific requirements for the training and development of individual employees (or, if applicable, groups or categories of employees)

f. permanently record, on an objective basis, the work performance of each employee

g. encourage the use of a performance appraisal system as a means of determining whether or not salary adjustments are warranted

2.0 Responsibilities

2.1 The Council (or its designated committee) will:

a. review, amend and adopt changes to the Performance Appraisal Policy as recommended by Chief Administrative Officer

b. review the performance of the Chief Administrative Officer in accordance with this policy

Where there is any conflict between the policies adopted by the Municipality of _____ and the policies set forth in the appropriate collective agreement, or policies set forth in a statute of the provincial or federal government, collective agreements or the provincial or federal statute shall supersede such other policies.

2.2 The Chief Administrative Officer (or designate) will:

a. oversee the implementation and maintenance of the Performance Evaluation Policy throughout the municipality with the assistance of, and in consultation with, department heads

b. monitor the effectiveness of the performance evaluation process and recommend necessary additions, deletions, or modifications to the Performance Evaluation Policy where considered appropriate

c. conduct informal and formal performance appraisals. The informal approach should be an ongoing process whereby the Chief Administrative Officer, staff person(s), or manager provides continuous feedback to those individuals for whom they are directly responsible.

The formal approach should involve one or two reviews conducted at specific times on an annual basis. The reviews will be formally documented by way of using the Employee Performance Evaluation Form.

2.3 Department heads will:

a. administer and co-ordinate performance evaluations within their respective departments, where applicable, in consultation with the Chief Administrative Officer

b. perform informal and formal performance appraisals

c. recommend to the Chief Administrative Officer changes required in the performance appraisal process

d. report annually to the Chief Administrative Officer on the departmental results of the formal performance evaluations undertaken

2.4 Supervisors will:

a. administer and co-ordinate performance evaluations within their respective departments, in consultation with their department head and, where appropriate, the Chief Administrative Officer

b. perform both informal and formal performance appraisals

c. prior to the completion of the annual formal evaluation and discussion of this evaluation with the employee, review the following aspects of the employee's record:

- attendance record with the municipality
- relevant background
- education
- work history
- duties, responsibilities, standards and/or measures of performance pertaining to the employee's position and/or applicable rules and regulations of the municipality or department
- previous performance appraisal documents of the employee
- productivity and quality control records if these are retained
- samples of reports, project results, or other work products generated by the employee
- opinions of other employees and supervisors who, in the course of their work, had dealings with the employee during the assessment period

d. make every effort to be as objective as possible, basing the evaluation on standards of performance and applicable rules

3.0 General Procedure

3.1 Upon the introduction of the Performance Evaluation Policy, or the implementation of a revised policy:

a. employees will be made aware of the new procedures

b. managers and supervisors will be provided with an orientation session so that each may become thoroughly familiar with the performance appraisal system adopted by the municipality

3.2 Probationary Period Performance Evaluation: Two months prior to the completion of an employee's probationary period, the supervisor (in consultation with the employee) will complete a probationary performance evaluation report in accordance with the probationary period.

3.3 Annual Formal Evaluation:

a. Completion of formal report: Annually, during a

predetermined period of time, the employee's supervisor will formally record a rating of the quality of work performed, general work habits, attendance, and attitude on the Employee Performance Evaluation Form (see Appendix 4.1b).

b. The formal interview: The supervisor will discuss the employee's annual formal performance appraisal report with the employee in order to reinforce an ongoing mutual understanding between the employee and the supervisor in terms of:

- the duties, responsibilities, and requirements of the position, and expected performance level
- any weak areas in the employee's performance and means to address these areas of concern
- positive aspects of the employee's performance and measures to maintain or further enhance these positive features
- short-term work goals which the employee should attempt to achieve
- long-term career objectives of the employee

The formal evaluation form will be signed by the employee and supervisor following the interview and discussion.

Following the formal interview between the employee and the supervisor, the completed form will be forwarded to a reviewing officer (usually the department head or the Chief Administrative Officer). The reviewing officer shall examine the performance appraisal report against the standard expected of the employee and add any remarks to the form.

3.4 Appeals: Employees who feel that their overall rating does not represent a true evaluation of their performance over the review period should try to resolve these differences with their supervisor.

If an informal agreement cannot be reached, the employee shall be given the opportunity to appeal, in writing, to the Chief Administrative Officer (or some other designated official), within 15 days of the interview.

3.5 Department Heads' Reports: The department heads shall report to the Chief Administrative Officer at the end of each year on:

a. completion of the annual formal performance appraisal for each employee in their respective departments

b. overall results of the performance appraisal process

c. the steps to be taken to improve the performance of departmental employees during the upcoming year (e.g. recommended training and development activities or changes in the quantity or allocation of work undertaken)

3.6 Effect on Salary: The municipality shall prepare a Compensation Policy, which should be in part based on outstanding, satisfactory and unsatisfactory evaluation ratings of individual employees.

3.7 Retention of the Performance Appraisal Records: Following completion (including signatures), one copy of the evaluation shall be placed in the employee's personnel file and a copy shall be given to the employee and to the supervisor completing the report.

3.8 Points to Remember During the Appraisal Process:

a. Criticisms or praise should be communicated to employees, and discussed, on an ongoing basis.

b. The purpose of the evaluation process should be explained. Point out that the review can make the employee a more valuable member of staff and provide greater opportunities for job satisfaction, usefulness, and promotion.

c. Vague, indefensible, or undefinable criticisms of performance should be avoided.

d. Talk about positive performance first.

e. Remember that you are discussing an employee's performance; the objective is to improve performance, not to condemn the individual.

f. Take into account that some failures of an employee may be the responsibility of the supervisor.

3.9 Definitions of Rating Used in Employee Performance Evaluation:

a. Satisfactory is that level of performance which is considered adequate to meet the requirements of the job. Some day-to-day variation is to be expected and may range, on occasion, from poor to very good. For the most part, however, satisfactory performance would be neither below the required level, nor consistently superior to the required standards.

b. Unsatisfactory is that level of performance which consistently falls below the requirements of the job. It does not mean that every aspect of the individual's performance is below adequate standards but that, in general, the employee does not meet the minimum requirements.

c. An outstanding rating is reserved for the individual who consistently surpasses standards of adequate performance. Individuals who consistently do a good job should be rated satisfactory, not outstanding. An occasional instance of superior performance is not sufficient justification for an outstanding rating. Outstanding performance requires that the individual, more often than not, has exceeded the supervisor's expectations for satisfactory performance.

Performance Appraisal - Appendix 4.1B

Employee Performance Evaluation Form

The following is just one example of a format which may be used in conducting a performance appraisal. This form is based on the MMTDB and the Region of Queens performance appraisal forms.

It is intended to serve as a guide only. Both general and specific categories may be changed to meet the specific size, structure, and human resource requirements of different municipalities. As such, the scales may require adjustment. Each subcategory should be rated on the accompanying scale and then totaled and calculated into the equation at the bottom of the category. Overall results will be compiled at the conclusion of the form.

Municipality of _____

Date: _____

Employees Name: _____

Employee Number: _____

Job Position: _____

Department: _____

Completed by: _____

Appraisal Period: from:_____ to:_____

_____ _____

Employee's Signature Supervisor's Signature

_____

Department Manager's Signature

_____ _____

Employee's Initials Supervisor's Initials

Category #1 Achievement of Results

Items	Rating									
	Unsatisfactory				*Satisfactory*				*Outstanding*	
Achieve set targets/objectives	1	2	3	4	5	6	7	8	9	10
Successfully completes assigned projects	1	2	3	4	5	6	7	8	9	10
Meets set deadlines	1	2	3	4	5	6	7	8	9	10
Successfully produces required volume of work	1	2	3	4	5	6	7	8	9	10
Organizes work environment	1	2	3	4	5	6	7	8	9	10
Budgets for resources	1	2	3	4	5	6	7	8	9	10

Point Score = ((add the 5 numbers circled above) X 10) ÷ 5 = _____%

Remarks:

_____

_____

_____

_____

_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY # 2 INITIATIVE AND PLANNING

Items	Rating
	Unsatisfactory *Satisfactory* *Outstanding*
Asks for assistance when needed	1 2 3 4 5 6 7 8 9 10
Willingly takes action without specific instructions, when appropriate	1 2 3 4 5 6 7 8 9 10
Independently establishes sound objectives or priorities	1 2 3 4 5 6 7 8 9 10
Develops and maintains schedules or courses of action	1 2 3 4 5 6 7 8 9 10
Willingly takes on new or increased responsibilities	1 2 3 4 5 6 7 8 9 10
Undertakes self-development activities	1 2 3 4 5 6 7 8 9 10

Point Score = ((add the 6 numbers circled above) X 10) ÷ 6 = _____%

Remarks:

_____

_____

_____

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_____

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_____

_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY # 3 Quality of Work

Items	Rating
	Unsatisfactory *Satisfactory* *Outstanding*
Completes work in a timely and efficient manner	1 2 3 4 5 6 7 8 9 10
Enures work is thorough and accurate	1 2 3 4 5 6 7 8 9 10
Requires thorough and accurate work from others	1 2 3 4 5 6 7 8 9 10
Decision making is proactive and does not procrastinate	1 2 3 4 5 6 7 8 9 10
Innovative creative problem solving	1 2 3 4 5 6 7 8 9 10
Looks for ways to improve and promote quality	1 2 3 4 5 6 7 8 9 10
Monitors own work to ensure quality and quantity	1 2 3 4 5 6 7 8 9 10

Point Score = ((add the 7 numbers circled above) X 10) ÷ 7 = _____

Remarks:

_____

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_____

_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY # 4 General Qualities and Abilities

Items	Rating									
	Unsatisfactory				*Satisfactory*				*Outstanding*	
Attendance Record	1	2	3	4	5	6	7	8	9	10
Punctuality	1	2	3	4	5	6	7	8	9	10
Time management skills	1	2	3	4	5	6	7	8	9	10
Ability to handle a number of tasks simultaneously	1	2	3	4	5	6	7	8	9	10
Willingness to spend extra time at work when required	1	2	3	4	5	6	7	8	9	10
Willingness to learn and stay informed on relevant work related issues	1	2	3	4	5	6	7	8	9	10
Willingness to accept new ideas and approaches	1	2	3	4	5	6	7	8	9	10
Develops positive working relationships and contributes to groups success	1	2	3	4	5	6	7	8	9	10

Point Score = ((add the 8 numbers circled above) X 10) ÷ 8 = _____%

Remarks:

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_____

_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY #5 Judgement

Items	Rating
	Unsatisfactory *Satisfactory* *Outstanding*
Ability to analyze problem situations quickly and accurately	1 2 3 4 5 6 7 8 9 10
Ability to make sound decision when required	1 2 3 4 5 6 7 8 9 10
Ability to react to adversity in a logical and practical manner	1 2 3 4 5 6 7 8 9 10
Ability to prioritize work of action	1 2 3 4 5 6 7 8 9 10

Point Score = ((add the 4 numbers circled above) X 10) ÷ 4 = _____%

Remarks:

_____

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_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY # 6 Communication and Interpersonal Skills

Items	Rating									
	Unsatisfactory				*Satisfactory*				*Outstanding*	
Uses effective verbal communication skills	1	2	3	4	5	6	7	8	9	10
Uses effective written communication skills	1	2	3	4	5	6	7	8	9	10
Ability to work in a team environment	1	2	3	4	5	6	7	8	9	10
Uses effective communication skills with colleagues	1	2	3	4	5	6	7	8	9	10
Uses effective communication skills with clients	1	2	3	4	5	6	7	8	9	10
Ability to accept direction and constructive criticism from colleagues	1	2	3	4	5	6	7	8	9	10

Point Score = ((add the 6 numbers circled above) X 10) ÷ 6 = _____%

Remarks:

_____

_____

_____

_____

_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY # 7 Job Related Skills

Items	Rating									
	Unsatisfactory				*Satisfactory*				*Outstanding*	
Proficient in required skills and knowledge	1	2	3	4	5	6	7	8	9	10
Demonstrates ability to learn new skills	1	2	3	4	5	6	7	8	9	10
Keeps current with new knowledge and skills	1	2	3	4	5	6	7	8	9	10
Requires minimal supervision	1	2	3	4	5	6	7	8	9	10
Understands government organizational relationships	1	2	3	4	5	6	7	8	9	10
Has thorough knowledge and understanding of departmental policies and procedures	1	2	3	4	5	6	7	8	9	10
Skills/knowledge/understanding of computer applications or machines or equipment required for the job	1	2	3	4	5	6	7	8	9	10
Uses resources effectively and efficiently	1	2	3	4	5	6	7	8	9	10

Point Score = ((add the 8 numbers circled above) X 10) ÷ 8 = _____%

Remarks:

_____

_____

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_____

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_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

CATEGORY # 8 Customer Services

(Note: Customer Service includes both internal and external clients, where internal clients can include requests from other departments within the municipality and external clients can include the public and other government agencies.)

Items	Rating									
	Unsatisfactory				*Satisfactory*				*Outstanding*	
Exhibits courtesy and care	1	2	3	4	5	6	7	8	9	10
Deals with difficult customers	1	2	3	4	5	6	7	8	9	10
Takes responsibility in representing the municipality's intended image	1	2	3	4	5	6	7	8	9	10
Displays appropriate business etiquette	1	2	3	4	5	6	7	8	9	10
Responds to internal and external customers in a timely manner	1	2	3	4	5	6	7	8	9	10

Point Score = ((add the 5 numbers circled above) X 10) ÷ 5 = _____%

Remarks:

_____

_____

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_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

F-3

Overall Rating

Category	Score
1	_____%
2	_____%
3	_____%
4	_____%
5	_____%
6	_____%
7	_____%
8	_____%

Total _____ ÷ 800 = _____%

Percentage Rating

Unsatisfactory	(0 to 49.9%)
Satisfactory	(50 to 84.9%)
Outstanding	(85 to 100%)

Areas where the employee is outstanding:_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

Areas where employee needs improvement:_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

GOALS

The following short and long term goals for improvement of employee performance will be developed in collaboration with the reviewer(s) and will be based upon results of the performance appraisal.

The goals may address the following questions:

1. What has to be improved?
2. What training/education programs will be undertaken as a result of the assessment?
3. What is the time frame necessary to reach these goals?
4. What are some of the specific measurable output goals?

Short Term Goals (Six months to one year)

Short Term Goal 1:

_____

_____

_____

_____

_____

Short Term Goal 2:

_____

_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

Short Term Goal 3:

_____

_____

_____

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_____

Short Term Goal 4:

_____

_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

Long Term Goals (one to four years)

Long Term Goal 1:

_____

_____

_____

_____

_____

_____

Long Term Goal 2:

_____

_____

_____

_____

_____

_____

_____ Employee's Initials

_____ Supervisor's Initials

Long Term Goal 3:

Long Term Goal 4:

Employee's Initials

Supervisor's Initials

Section 4.2

Code of Ethics

Why is an administration s integrity so important?

In any level of government, the public's perception is critical to its reputation. Nothing can be more important to a public administrator or administration than the public's opinion about their personal integrity, honesty and truthfulness. It overshadows all other values of an administrator, including competence, experience and expertise. Any individual within an administration or the administration itself which compromises its integrity can damage the ability of the agency to perform its tasks or accomplish its mission. The organization's effectiveness and efficiency would be impaired and careers can be destroyed.

A Code of Ethics provides a focus on the highest ethical standards for a municipality.

The importance of maintaining a high ethical standard in a municipality cannot be understated. This is not to imply that a code of ethics is required by all municipalities, because many organizations and municipalities have been able to maintain a high ethical standard without an adopted code of ethics. However, a code of ethics does provide some important functions to an organization, including:

- it is a recognition by the organization that ethical behaviour is expected by all of its members
- it can foster an environment in which ethical behaviour is the norm
- it serves as a guide or reminder of specific and generalized situations
- the process of developing a code of ethics can provide an invaluable forum for discussion
- it is an indication to the public that the organization is seriously concerned and responsible to the conduct of its members
- it provides the means to increase ethical sensitivity and judgement, strengthen support for individual's moral

courage to "do the right thing"

- it helps an organization hone its sense of identity.

Model Code of Ethics Policy

Due to the variety of organizations, associations and levels of government which have developed their own code of ethics, there can be a wide variation in style, substance and application. Attached to this section is a model code of ethics for municipalities, as developed by the Maritime Municipal Training and Development Board. This model may be adopted by a municipality or it may form the basis for a municipality to develop a code of ethics specific to their situation.

Developing a Code of Ethics for your municipality.

If a municipality wishes to develop their own code of ethics or modify the attached model code of ethics policy, consideration should be given to a variety of issues. This exercise, should include representation from all or most departments within the municipality, ranging from managers to line workers. This forum should foster a healthy discussion on ethics and encourage the review of all of the major issues. As a consequence, the discussion and formation of a municipality's own Code of Ethics is more likely to be more beneficial than just distributing a set or predetermined policy itself. Some of the items for these discussions should respond to, but should not be limited to the following points:

- public employees are trustees for all people and there is an expectation that public employees should act as surrogates for the public with fairness toward all and not to a few or a limited group
- avoid any interest or activity which is in conflict with official duties or job responsibilities
- avoid frequent social contact with persons who come under the municipalities regulation or persons who sell products or services to the municipality
- serve in such a way that the employee does not realize undue personal gain from the performance of official duties, a public servant should not borrow or accept gifts from the staff of any corporation which buys services from or sells to or is regulated by the

municipality

- practice the golden rule: doing to and for others what you would want to have done for you in similar circumstances
- guard the public purse as if it were your own
- public property, funds and power should never be used for personal gain
- make it clear you will not tolerate any use of municipal funds or property for the personal gain of any municipal employee or elected official
- a "whistle blower" who appears to be disloyal to his/her immediate supervisors, may be loyal to the higher interests of the public, in which case the "whistle blower" deserves support
- be sure that answers to public inquiries are complete, understandable and true
- respect and protect privileged information to which municipal employees have access in the course of their official duties
- every decision creates a precedent, so the first decision should be ethically sound
- employment programs should assure equal employment opportunity in terms of recruitment, selection and advancement of qualified persons from all elements of society
- discrimination based on race, colour, religion, sex, national origin, political affiliation, physical disabilities, age or marital status in all aspects of personnel policy should not be tolerated
- harassment in any sexual, racial or religious nature should not be permitted, in the event such offense

occurs, appropriate action should be taken

- exercise whatever authority there is under the law to promote the public interest
- to knowingly ignore something which is known to be ethically questionable is as ethically wrong

Code of Ethics tailored for your municipality.

After discussing the various ethical issues, the next step is to translate them into a clear and concise set of policy statements, which are easily understandable to the employees, elected officials and the public. The final set of policies should cover the majority of ethical issues facing municipal employees and officials. As with all major policy statements, it is advisable to have them reviewed by the municipality's solicitor, before sending them to council for review and adoption.

Upon the final adoption of the policy statements, there should be a concerted effort to distribute them to all municipal employees and officials. A seminar for managers and employees may be worthwhile as it would provide a forum to review the contents of the policy and respond to any questions on the material. The Code of Ethics should be part of their information package given to new employees when they commence work at the municipality.

Concluding, a formal adopted Code of Ethics for a municipality would indicate to the public that the municipality is seriously concerned and responsible to the conduct of its employees and officials.

CODE OF ETHICS POLICY

The following policy has been reprinted by permission of Maritime Municipal Training and Development Board. Copies of this policy as well as a host of other policies which are applicable to municipal government are available from the Maritime Municipal Training and Development Board (MMTDB) on a diskette. Please check their website at www.munisource.org or contact them at:

MMTDB
6100 University Avenue
Halifax, N.S.
B3H 3B7

Phone: 902-494-3712
Fax: 902-494-1961
munisource@munisource.org

Code of Ethics Policy

It is the policy of the Municipality of _____ to ensure that municipal employees:

a. are aware of what constitutes a conflict of interest or breach of trust

b. are aware of the level of conduct and integrity which is expected of municipal employees

1.0 Specific Objectives

1.1 The objectives of this policy are to:

Objectives of Code of Ethics Policy

a. provide municipal employees with guidelines for identifying potential conflicts of interest and breaches of trust

b. help ensure that municipal employees do not place themselves, or permit themselves to be placed, in a position which would constitute a conflict of interest or breach of trust

c. promote high standards of professional conduct and values among municipal employees

2.0 Responsibilities

Council review and approval of Code of Ethics

2.1 The Council (or its designated committee) will:

a. review the municipality's Code of Ethics Policy as required and make any amendments considered appropriate

b. review, consider or take other action concerning any violation of the municipality's Code of Ethics Policy which is referred to Council by the Chief Administrative Officer, or raised by a member of Council during the course of Council discussions

Where there is any conflict between the policies adopted by the Municipality of _____ and the policies set forth in the appropriate collective agreement, or policies set forth in a statute of the provincial or federal government, collective agreements or the provincial or federal statute shall supersede such other policies.

CAO s role in the application of the Code of Ethics

2.2 The Chief Administrative Officer (or designate) will:

a. implement, administer and promote the Code of Ethics Policy

b. ensure that department heads promote the ethical standards expressed within the Code of Ethics Policy to their employees

c. recommend amendments to the Code of Ethics Policy to Council

d. investigate and review any reported violation of the Code of Ethics Policy and approve and/or administer any subsequent corrective action

Manager s role in the application of the Code of Ethics

2.3 Department heads will:

a. ensure that all employees of their department are familiar with the municipality's Code of Ethics Policy

b. advise the Chief Administrative Officer of any perceived violation of the Code of Ethics Policy by a member of staff, and institute appropriate preventative or corrective action

c. recommend to the Chief Administrative Officer any changes to the Code of Ethics Policy which are considered appropriate

Municipal Employees and Public Officials responsibilities

2.4 Responsibilities of Municipal Employees and Officials

a. Municipal employees and public officials are agents of the public whose primary objective is to address the needs of the citizens. As such, they are entrusted with upholding and adhering to the bylaws of the municipality as well as all applicable federal and provincial laws. As public servants, they must observe a high standard of morality in the conduct of their official duties and faithfully fulfill the responsibilities of their offices, regardless of their personal or financial interests.

Public s Interest

b. Dedicated Service: All officials and employees of the municipality should faithfully work towards developing programs to address the needs of its citizens. In the course of their duties, officials and employees should strive to perform at a level which is expected of those

who work in the public's interest.

Confidentiality

c. Employees should not exceed their authority, breach the law, or ask others to do so, and should work in full co-operation with other public officials and employees, unless prohibited from doing so by law or by formally recognized rules of confidentiality.

Appointments

d. Soliciting Appointments: Soliciting members of Council directly or indirectly in order to obtain preferential consideration in connection with any appointment to the municipal service will disqualify the candidate from further consideration for the appointment.

Use of Public Property

e. Use of Public Property: No employee shall request or permit the use of municipal-owned vehicles, equipment, materials, or property for personal convenience or profit, except where such privileges are granted to the general public.

Obligations to Citizens

f. Obligations to Citizens: No employee shall grant any special consideration, treatment, or advantage to any citizen or group of citizens beyond that which is accorded to all citizens.

Conflict of Interest

g. Conflict of Interest: No employee, whether paid or otherwise, shall engage in any business transaction or have a financial or personal interest, direct or indirect, which is incompatible with the proper discharge of their official duties or would impair their independence of judgement or action in the performance of their official duties. Personal interest, rather than financial, includes any interest arising from family or marriage relationships or close business or political associations. The following are situations which constitute conflicts of interest for municipal employees:

- Incompatible Employment: No employee shall engage in or accept private employment or render services for private interests when such employment or services are incompatible with

the proper discharge of their official duties or would impair his/her independence of judgement or action in the performance of his/her official duties.

- Disclosure of Confidential Information: No employee shall, without proper legal authorization, disclose confidential information concerning the property, government, or affairs of the municipality; nor shall he/she use such information to advance the financial or personal interest of him/herself or others.

- Gifts and Favours: In keeping with established private-public business practices, no employee shall show favouritism or bias toward any vendor, contractor, or others doing business with the municipality. Employees are prohibited from accepting gifts or favours from any vendor, contractor or others doing business with the municipality that would tend to influence them in the proper discharge of their official duties.

- Representing Private Interests before a Municipal Agency: No employee whose salary is paid in whole or in part by the municipality shall appear on behalf of private interests before any agency or court of the municipality without the consent of the Chief Administrative Officer. The employee shall not represent private interests in any action or proceeding against the interests of the municipality or in any litigation to which the municipality is party. Furthermore, no employee shall accept compensation or a retainer which is conditional upon the actions of a municipal agency.

- Contracts with Municipalities: No officer, agent or employee of the municipality shall have any interest, direct or indirect, in any legal municipal contract issued by him/her or by any public committee, board, commission or department of which they are a member, agent, or employee.

  However, an officer, agent, or employee of the municipality may enter into a legal contract with the municipality or any agency thereof for the sale and purchase of supplies, materials, or equipment or for the construction of public improvements if:

  - they are not authorized by law to act on behalf of the municipality or any agent thereof in the awarding of the contract the tender is let in a written, public, and openly competitive manner all bids received and all documents pertaining to the awarding of the contract are made available for public inspection for at least three (3) months following the date of the awarding of the contract.

  - Disclosure of Interest: Any municipal employee who has a financial or personal interest in any proposed Council legislation, and who participates in discussion with or gives an official opinion to Council, shall disclose on the records of Council the nature and extent of the interest.

h. Political Activity: No employee of the municipality shall perform work, either volunteer or paid, on behalf of any political party during his/her hours of employment with the municipality.

Protection of Whistle Blowers

3.0 Reporting Breaches of this Code

3.1 Employees who have reason to believe that this Code of Ethics Policy has been breached in any way are encouraged to bring their concerns to the Chief Administrative Officer. No adverse action shall be taken against any employee who, acting in good faith, brings forward such information.

Corrective Action

4.0 Corrective Action

4.1 Violation of this Code of Ethics Policy by a municipal employee may constitute a cause for corrective action. Any reported violation of this policy will be subject to investigation by the Chief Administrative Officer and/or Council. If an investigation finds an employee guilty of a breach of the Code of Ethics Policy, the corrective action pursued against the employee shall be commensurate with the nature and severity of the violation.

5.0 Revisions

5.1 The municipality's Code of Ethics Policy and/or the sections contained therein will be reviewed and amended by Council, in consultation with the Chief Administrative Officer, as required.

6.0 General

6.1 When administering this policy, employees must adhere to any provincial Acts governing municipalities and all relevant legislation pertaining to the subjects covered in this policy. The administration of this policy is further subject to the provisions of applicable collective agreements for unionized municipal employees.

Maritime Municipal Training and Development Board

The Maritime Municipal Training and Development Board (MMTDB), located at Dalhousie University in Halifax, Nova Scotia, Canada was established by the provinces of Nova Scotia, New Brunswick and Prince Edward Island, through the Council of Maritime Premiers in 1974. Although the agency's operations and focus have constantly adapted to changing times, its primary mandate remains that of improving municipal governance and service delivery. The MMTDB is recognized in Canada for the key role it has played in providing for municipal training and distance education programming, for the development of decision making resources, and for improving information sharing and professionalism in the Municipal Public Service. The agency's legacy of pro-active involvement with stakeholders over a 24 year period includes the creation of better-trained, highly skilled, and more knowledgeable municipal government decision makers.

The MMTDB has promoted the Internet as an important decision making resource for municipal government since 1990. Its information web site WWW.MUNISOURCE.ORG was developed "in-house" as a vehicle for municipal government networking and as an "Internet doorway" for on-line education. The significant level of interest, world-wide, in MUNISOURCE has served to provide the agency with a growing international reputation as an important municipal government information provider. More than 5000 municipalities in 44 countries are now linked through MUNISOURCE, and the numbers grow daily.

Pioneering innovative approaches to municipal decision making needs, avoiding duplication of effort, and sharing scarce resources through meaningful partnerships to meet common goals, are MMTDB traditions which continue to guide the agency's work.

Section 4.3

Conflict of Interest Guidelines for Members of Councils and Local Boards

Introduction

At some point, a question may arise as to whether a member of a council or local board is in a conflict of interest. This is a matter which cannot be taken lightly and it has warranted the provincial legislature to adopt the *Municipal Conflict of Interest Act* (see Appendix 4.3a) Furthermore, failure to act upon a conflict of interest can have serious consequences upon an individual and the credibility of the municipality.

When in doubt ask your personal legal advisor whether a conflict of interest exists.

This section provides a brief overview of the Act, as well as a copy of the Act. The reader is cautioned, however, the preparation of this material involves interpretation of legislation as it applies in general situations. Specific situations may require careful legal analysis and therefore reference should be made to the *Municipal Conflict of Interest Act*, other relevant legislation and legal advisors.

It is also important to note that the municipal solicitor does not advise individuals on issues regarding conflict of interest. The municipal solicitor's role is to advise the council and not individual councillors or members of boards, commissions or committees. It is the personal responsibility for the councillor to obtain his or her own legal advice on such matters.

Conflict of Interest

Purpose and Overview of the Act

The *Municipal Conflict of Interest Act* was enacted in 1982. The Act deals with various types of interests and what conduct is required when those interests arise, as well as the penalties that result from the failure to observe the standards set out in the Act. Within the Act, the term "conflict of interest" is not used. Rather, the Act talks about declaring an interest. If the interest is declared, there is not a conflict.

Public office is a trust conferred by the public for public purposes. The present legislation in Nova Scotia permits members of councils or local boards to do business with the municipality or board, provided that they remove themselves from the decision making process in respect to

that business. It recognizes that the judgment of even the most well meaning persons may be impaired when their own financial interests, or the financial interests of someone close to them are affected.

Who is covered under the Act?

The Act covers members of both council and local boards which means elected officials of municipalities and school boards and appointed members of municipal and inter-municipal commissions, boards, bodies and authorities and committees (Section 2).

Interests

The Act speaks of "interests." These can be discussed under the headings:

- direct pecuniary interest
- indirect pecuniary interest
- deemed pecuniary interest

Pecuniary Interest

In each case the term "pecuniary" is used, but not defined. A pecuniary interest is money interest. It does not, however, have to be a cash interest as long as it may be converted into or measured in cash. The focus is not only on money income but on the wealth of the member. The wealth of the member includes all of the member's assets. The possible effect must be looked at in addition to the certain effect. The magnitude or extent of the pecuniary interest is irrelevant to the determination as to whether the interest exists. Thus, a pecuniary interest can mean monetary benefits that will be received or could be received, either in cash or as an increase in asset value and it can also mean the avoidance of cash payments or a decrease in asset value.

Direct Pecuniary Interest

This is not discussed under a separate heading in the Act, however, a direct pecuniary interest is that of a member. "Member" is defined in the Act, as are council and local board, and includes a former member, so that enforcement for actions taken while a person was a member can continue after membership ceases.

A useful question for a member to ask is: "What could I possibly stand to gain or lose from the outcome of this matter?" Unless the answer is "Absolutely nothing" the member has an interest which, unless it is exempted elsewhere in the legislation, requires the member to adhere to the course of conduct set out in the Act. Generally, if you have to ask yourself whether the Act applies, it probably does, and you should

declare an interest, or, at a minimum, obtain independent legal advice and follow it.

Indirect Pecuniary Interest

Indirect pecuniary interests are dealt with under Section 3 of the Act and arise from the member's relationship with another entity, such as a corporation, of which the member is a shareholder or director and which has an interest in any matter in which the council is concerned.

The indirect pecuniary interests (Section 3) includes interests of a/an:

- partner
- associate
- employer
- company in which the member is an officer
- private company in which the member is a shareholder
- company in which the member has or controls over 10% of the voting shares (directly or indirectly)

who or which has an interest in any matter in which the council, board, commission or committee is concerned.

The combination of the member's relationship with the entity, and an interest of the entity, whether pecuniary or not, is sufficient to give the member an indirect pecuniary interest. An example of this may be where a councillor is a member of a volunteer organization that seeks a grant from council.

Deemed Pecuniary Interest

A deemed pecuniary interest (Section 4) results from the relationship of the member with other individuals. This section is very wide ranging in terms of the relationships covered both by blood and by marriage and by virtue of the definition of "spouse," includes those who are living together as husband and wife. As well, the section includes anyone who normally resides in the same house as the member. The section also applies not only to pecuniary interests of which the member has knowledge, but also pecuniary interests of which the member reasonably should have known. This section means that the pecuniary interest of these people, whether it is direct pecuniary interest or an indirect pecuniary interest, is deemed to be that of the member.

Exemptions

There are exemptions to the Act.

Section 5 (1) of the Act provides the exemptions, and the circumstances. They are self explanatory (see Appendix 4.3a), however, if there is any question, the councillor should seek independent legal advice. This is not legal advice from the municipal solicitor, whose role is to advise the council and not individual councillors.

Discharging Obligations Under the Act

What you should do when an interest has been declared.

Section 6 of the Act states that any and all interests must be declared at the start of a meeting where the matter is to be considered, and the member must withdraw from his or her place as a member. In closed door meetings, he or she must physically leave the room, and at meetings open to the public, he or she must withdraw to that part of the room set aside for the general public and abstain from taking part in any discussion or voting on the matter. It is to be understood that interested members must refrain from attempting in any way whether before, during or after the meeting to influence the decision of the council or local board with respect to the matter.

A "meeting" is defined as a regular, special or emergency meeting of the municipality or local board and any committee thereof and includes informal as well as formal meetings (Section 2 (e)).

If the member was not present at the meeting where the matter in which the member has an interest was first raised, the member must disclose the interest at the next meeting he or she attends (Section 6(2)).

Similarly, a member must comply with these requirements even if he or she only intends to obtain a pecuniary interest, either on his or her behalf or while acting for, by with or through another (Section 6(3)).

Record Keeping

Ensure records are kept.

Section 7 states that every declaration of interest must be recorded in the minutes of the meeting and kept in a "central record of disclosure" by the clerk, meeting secretary or chairman. It is recommended that any person who declares an interest check the central record of

disclosure to ensure that this has in fact been recorded. This record is open to public inspection.

Consequences Upon Failure to Disclose an Interest

Section 9 of the Act provides that the Attorney General or an elector (this includes a Council member) may apply to the Nova Scotia Supreme Court for the determination of whether a member has breached the Act. The Attorney General's Department has stated that responsibility to pursue complaints that do not involve Provincial interests lies in the hands of the electors or the council or local board concerned and that it will not pursue claims which are local in nature. An application under Section 9 must be done within sixty days of the alleged contravention coming to the applicant's attention, and within ten years after the date of the alleged breach.

The consequences of failing to declare a conflict of interest can be severe.

Section 10(1) provides that where a judge finds that the Act has been violated, he or she shall declare the member's seat vacant. And direct that it be filled (see exceptions below). The disqualified member will not qualify to fill any such vacancy. The judge may also disqualify the member from being a council or local board member for up to ten years. Additionally, where the violation resulted in personal financial gain, the judge may order the member to make restitution and where it was made for personal financial gain, shall impose a penalty of not more than $25,000 or in default, imprisonment for up to 12 months. Court costs may also be awarded against the member.

If a member fails to declare an interest, the Court may also order that the Council's, board's or committee's action in respect to the subject matter be void (Section 13). The judge, however, is required to consider the effect this may have on innocent third parties.

As an alternative to a court application by an elector, the Council or local board may by resolution request an inquiry into any alleged breach of the Act. The Attorney General may then appoint a judge or other suitable person to head the inquiry. The appointee is required to report to the Attorney General and the Council or local board on the results of evidence taken at the inquiry.

Defences to Legal Action

A defendant may argue that one of the exemptions in Section 5 applies. If the judge finds, however, that the Act has been contravened, the only defences available to argue that the member's seat should not be forfeited are that the contravention was committed as a result of inadvertence or *bona fide* error in judgement (Section 10(1)).

Inadvertence has been interpreted by the Courts to excuse ignorance of the law, carelessness, negligence and mere inattention. Willful blindness or reckless disregard for the legal consequences of ones action, however, does not constitute inadvertence. An error in judgement may be an error arising out of a mistake of fact or law. Whether an error has occurred in good faith or honestly, which is what *bona fide* means, is itself a question of fact.

If either of these defences can be borne out, the Court has the discretion to relieve against forfeiture of office if a member was found to contravene the Act.

Conclusion

The issue of "conflict of interest" is a serious matter of concern for all elected officials of municipalities and school boards and appointed members of municipal and inter-municipal commissions, boards, bodies, authorities and committees. Each of the above should have their own copy of the ***Municipal Conflict of Interest Act*** as soon as they assume their position and they should review it on a regular basis.

Appendix 4.3a

Municipal Conflict of Interest Act

CHAPTER 299
OF THE
REVISED STATUTES, 1989
amended 1991, c. 6, s. 40; 1993, c. 47, s. 6

NOTE - This version of this statute is provided for your convenience and personal use only. Where accuracy is critical, please consult official sources.

An Act to Prevent Conflict of Interest in the Conduct of Municipal Government

1 This Act may be cited as the *Municipal Conflict of Interest Act*. R.S., c. 299, s. 1.

2 In this Act,

Definitions

(a) "council" means the council of a municipality;

(b) "elector" means a person entitled to vote at a municipal election in the municipality;

(c) "interest in common with electors generally" means a pecuniary interest in common with the electors within the area of jurisdiction of the municipality or local board or, where the matter under consideration affects only part of that area, an interest in common with the electors within that part;

(d) "local board" means any board, commission, committee, body or local authority of any kind established to exercise or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes of a municipality or parts thereof or of two or more municipalities or parts thereof, or to which a municipality or municipalities are required to provide funds, and includes a school board pursuant to the School Boards Act;

(e) "meeting" means a regular, special or emergency meeting of a municipality or local board and any committee thereof, and includes informal as well as formal meetings;

(f) "member" means a member, in whatever capacity, of a council or a local board and, for the purposes of Sections 9 and 10, includes a former member;

(g) "municipality" means a city, incorporated town or municipality of a county or district;

(h) "senior officer" means the chairman and vice-chairman of the board of directors of a corporation, the president, vice-president, secretary, treasurer, managing director and general manager of a corporation and any other person who performs functions for the corporation similar to those normally performed by a person occupying any such office;

(i) "spouse" means either of a man and woman who

(i) are married to each other,

(ii) are married to each other by a marriage that is voidable but which has not been voided by order of a court,

(iii) have gone through a form of marriage that is void and have cohabited within the preceding twelve months, or

(iv) are living together as husband and wife;

(j) "substantial interest" means the direct or indirect beneficial ownership of, or the power to exercise control or direction over, equity shares of any corporation that carry more than ten per cent of the voting rights attached to all outstanding equity shares of the corporation. R.S., c. 299, s. 2; 1991, c.6, s. 40.

Indirect pecuniary interest

3 A member has an indirect pecuniary interest in any matter

(a) if the member or the members nominee

(i) is a shareholder in, or a director or senior officer of, a corporation that does not offer its shares to the public,

(ii) has a substantial interest in, or is a director or senior officer of, a corporation that offers its shares to the public, or

(iii) is a member of a body, whether incorporated or not, that has an interest in any matter in which the council or local board is concerned;

or

(b) if the member is a partner of or associated in a joint venture with a person, or is in the employ of a person or body, whether incorporated or not, that has an interest in any matter in which the council or local board is concerned. R.S., c. 299, s. 3.

Deemed pecuniary interest

4 The pecuniary interest of

(a) the spouse of a member;

(b) any son, daughter, father, mother, brother or sister of a member or the members spouse;

(c) the spouse of the persons referred to in clause (b); and

(d) any other person who normally resides in the same home as the member, shall, if known to the member or of which the member reasonably should have known, be deemed to be also a pecuniary interest of the member.R.S., c. 299, s. 4.

Where the Act does not apply.

5 (1) This Act does not apply to any interest in any matter that a member may have

(a) as an elector;

(b) by reason of being entitled to receive any service, commodity or other benefit offered by the municipality or local board in like matter and subject to the like conditions as are applicable to persons who are not members;

(c) by reason of purchasing or owning a debenture or other security issued by the municipality or local board;

(d) by reason of having made a deposit with the municipality or

local board, the whole or part of which is or may be returnable to the member in like manner as such a deposit is or may be returnable to other electors;

(e) by reason of being eligible for election or appointment to fill a vacancy, office or position in the council or local board where the council or local board is empowered or required by any general or special Act to fill such vacancy, office or position;

(f) by reason of being eligible for appointment, or having been appointed, by the council to a local board;

(g) by reason only of being a director or senior officer of a corporation incorporated for the purpose of carrying on business for and on behalf of the municipality or local board;

(h) by reason of having been appointed by the council or local board to a board, committee or other body;

(i) with respect to any allowance, honorarium, remuneration, salary or benefit to which the member is or may be entitled by reason of being a memoer or by reason of having been appointed, by the council or local board, to a local board or other board, committee or other body;

(j) by reason of having a pecuniary interest that is an interest in common with electors generally;

(k) by reason only of an interest that is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence the member.

(2) This Act does not apply to a council of a city, or a local board of that city, while it has in effect a by-law made pursuant to Section 19 of the Municipal Elections Act. R.S., c. 299, s. 5.

What to do if there is a direct conflict of interest.

6 (1) Where a member, either on the members own behalf or while acting for, by, with or through another, has any direct or indirect pecuniary interest in any matter and is present at a meeting of the council or local board at which the matter is the subject of consideration, the member shall

(a) as soon as practicable after the commencement of the

meeting disclose the interest and the general nature thereof;

(b) withdraw from his place as member and

(i) in the case of a closed meeting, leave the room in which the meeting is held for the duration of the consideration of the matter, and

(ii) in the case of a meeting that is open to the public, either leave the room in which the meeting is held or remain in that part of the room set aside for the general public for the duration of the consideration of the matter;

(c) refrain from taking any part in the consideration or discussion of the matter and from voting on any question relating to the matter; and

(d) refrain from attempting in any way, whether before, during or after the meeting, to influence the decision of the council or local board with respect to the matter.

What to do if there is an indirect conflict of interest.

(2) Where the member was not present at a meeting at which a matter in which the member, either on the members own behalf or while acting for, by, with or through another, has any direct or indirect pecuniary interest was the subject of consideration, the member shall disclose the interest at the next meeting the member attends, and the provisions of subsection (1) shall apply to the member in respect of the matter.

(3) A member shall comply with this Section in respect of any matter in which the member intends to obtain a pecuniary interest, either on the members own behalf or while acting for, by, with or through another. R.S., c. 299, s. 6.

Recording the Conflict of Interest in the minutes.

7 (1) Every declaration of interest and the general nature thereof disclosed pursuant to Section 6 shall be recorded in the minutes of the meeting by the clerk of the municipality or by the secretary of the local board, as the case may be.

(2) The person acting as secretary of any meeting, or the chairman of the meeting if there is no secretary, shall record every

disclosure of interest and the general nature thereof in a central record of disclosure.

(3) Every municipality and local board shall keep a central record of disclosure, which shall be open to inspection by any elector without fee at all reasonable times. R.S., c. 299, s. 7.

What is required if a declared conflict of interest results in a lack of quorum.

8 (1) Where, by reason of this Act, a council or local board lacks a quorum to consider any particular matter, then, notwithstanding the provisions of any Act or other provision establishing the number of members to constitute a quorum, for the purposes of considering and acting on the matter, a quorum is one third of the council or local board or two members thereof, whichever is greater.

(2) Where, by reason of this Act, a council or local board lacks a quorum pursuant to subsection (1) to consider any particular matter, the council or local board may apply to a judge of the Trial Division of the Supreme Court or a county court for an order authorizing the council or local board to consider and act on the matter.

(3) The judge may, by order, prescribe the terms and conditions pursuant to which the council or local board may consider and act on the matter, and may direct that certain of the members may participate in the consideration of the matter and that certain members may not, as to the judge seems just.

(4) Participation in the consideration of any matter in which a member has a direct or indirect pecuniary interest pursuant to an order of a judge is not a contravention of this Act. R.S., c. 299, s. 8; 1993, c. 47, s. 6.

An application to determine whether a conflict of interest has arisen.

9 (1) The Attorney General or an elector may apply to a judge of the Trial Division of the Supreme Court or a county court for a determination of whether a member has contravened the provisions of this Act.

(2) An application shall be made by originating notice (application inter partes) pursuant to the rules of the court.

(3) The application shall state the grounds on which it is believed

that a contravention of this Act may have occurred.

(4) An application shall be made within sixty days after the fact comes to the attention of the applicant that the member may have contravened this Act.

(5) No application may be made pursuant to this Section more than ten years after the date of the alleged contravention of this Act. R.S., c. 299, s.9.

Consequences of an undeclared conflict of interest as determined by a judge.

10 (1) Where the judge determines that a member has contravened this Act, the judge shall declare the seat of the member vacant and direct that the vacancy be filled in the manner prescribed by law, but if the judge determines that the contravention was committed as a result of inadvertence or a bona fide error in judgment the judge may relieve against such forfeiture of office.

(2) The member found to have contravened this Act shall not be qualified to fill the vacancy so created.

(3) Where the judge determines that a member has contravened this Act, the judge may

(a) disqualify the member from being a member of the council or local board, or any council or local board, for a period of not more than ten years; and

(b) where the contravention has resulted in personal financial gain, require the member to make restitution.

(4) Where the contravention has been made for the purpose of personal financial gain, the judge shall impose a penalty of not more than twenty-five thousand dollars or, in default of payment thereof, imprisonment for a term of not more than twelve months. R.S., c. 299, s. 10.

Appeal process when a judge has rendered a decision on a conflict of interest.

11 (1) An appeal lies from the decision of the judge to the Appeal Division of the Supreme Court in accordance with the rules of court.

(2) No steps shall be taken to fill the seat of a member who has been found to contravene this Act until after the expiration of the time limited for appeal or, if an appeal is brought, until after

the appeal has been finally determined. R.S., c. 299, s. 11.

Inquiry Process for conflict of interest.

12 (1) If the council or local board by resolution requests that inquiry be made into or concerning

(a) any matter mentioned in the resolution and relating to an alleged malfeasance, breach of trust or other misconduct on the part of a member, an officer or other official, an employee or agent of the municipality or local board, or any person having a contract therewith, in relation to the duties or obligations of such person to the municipality or local board;

(b) any allegation that a member has contravened the provisions of this Act; or

(c) any matter connected with the good government of the municipality or local board or the conduct of any part of the public business thereof, the Attorney General shall appoint a judge or some other suitable person to make the inquiry.

(2) The person so appointed shall, with all convenient promptitude, enter upon the inquiry and upon the conclusion thereof, shall report to the Attorney General and to the council or local board the result of the inquiry and the evidence taken thereon.

(3) The person appointed shall have, for the purpose of inquiry, all the powers of a commissioner under the Public Inquiries Act.

(4) Such person is entitled to receive and shall be paid such fees as may be fixed and paid by the Attorney General.

(5) The council or board may engage and pay counsel to represent the municipality or local board and may pay all proper witness fees to persons summoned to give evidence at the instance of the municipality or local board.

(6) Any person charged with malfeasance, breach of trust or other misconduct, or whose conduct is called in question, may be represented by counsel. R.S., c. 299, s. 12.

Voidable proceedings where Section 6 contravened

13 (1) The contravention of Section 6 of this Act does not of itself invalidate any proceedings in respect of any matter, but the proceedings in respect of the matter are voidable on application to a judge of the Trial Division of the Supreme Court or of a county court at the instance of the municipality or of the local board within two years after the matter was authorized by the council or local board.

(2) In determining whether any proceedings should be declared void under subsection (1), the judge shall give due consideration to the effect of such declaration on innocent third parties. R.S., c. 299, s. 13.

14 Proceedings to declare a seat vacant or to disqualify a member by reason of conflict of interest, or to require a member to make restitution where a contravention of this Act has resulted in personal financial gain, shall be had and taken only under the provisions of this Act. R.S., c. 299, s. 14.

Section 5.1

Statements of Provincial Interests

- Table of Contents -

- Introduction
- Guideline 1 - Drinking Water
- Guideline 2 - Flood Risk Areas
- Guideline 3 - Agricultural Land
- Guideline 4 - Infrastructure (to be released at a later date)
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Introduction

- Implementation Guidelines -

Statements of Provincial Interest

What are these Implementation Guidelines?

These Implementation Guidelines (Guidelines) are designed as a tool to assist municipalities:

- more fully understand Statements of Provincial Interest (Statements);
- offer suggestions for techniques that may be used in municipal planning documents; &
- indicate what the Service Nova Scotia and Municipal Relations expects with respect to municipal planning documents.

They are written for elected officials, planning advisory committees, municipal planners and the public.

What are Statements of Provincial Interest?

They are policy statements adopted by the provincial government under the powers of the *Municipal Government Act* (MGA). They are set out in Schedule "B" of the MGA and came into effect on April 1, 1999. There are five Statements in effect. They deal with:

- Drinking Water Supplies,
- Flood Risk Areas,
- Agricultural Land,
- Infrastructure, and
- Housing.

Statements of Provincial Interest are adopted by the Province to identify the provincial interest in the use and development of land (MGA section 193). The Province's interests in land are many and varied. These may include matters such as: protection of our environment; our natural resources such as agriculture or forest lands; or investments such as those for sewer and water facilities. Statements adopted under the MGA are but one means for expressing the Province's interest in the use and development of land. Legislation, guidelines, and programs are examples of other means.

The MGA provides for the adoption of additional Statements in the future where the Province believes a Statement is necessary to protect it's interests.

What affect do Statements have?

The MGA requires that municipal planning documents (defined in the MGA - Section 196 and also Schedule B) must be "reasonably consistent" with these Statements. Reasonably consistent (defined in Schedule B - Implementation section) means that municipalities must take reasonable steps to apply the relevant statements to the local situation when preparing or amending planning documents.

The Statements do not provide rigid standards, but instead set the direction and provide a framework for dealing with the issue. Overall, no Statement is intended to take precedence over any other. Instead local circumstances and informed, thoughtful decision making will dictate how the Statements should be applied and hence the form of development or resource use which should take precedence. These Guidelines are intended to assist in this decision making process.

Clearly municipalities are expected to act in a manner that is reasonably consistent with the Statements or indicate the reasons for not doing so. The details of how this is presented in planning documents is a municipal decision. One approach which has considerable merit is to have a separate section in the Municipal Planning Strategy dedicated to the Statements. This section could include such things as which Statements apply to the planning area and what policies the municipality is establishing to address them.

What exactly is in Schedule B of the MGA?

Schedule B of the MGA has four components:

- Introduction,
- Definitions,
- Statements (five separate policy areas), and
- Implementation.

The Introduction provides the context for the individual Statements. It points out that the Statements are "guiding principles" for municipalities as well as the Province and individual citizens for decisions on land use matters.

The Definitions section defines specific terms used in the Statements.

The Statements form the main part of Schedule "B" and this section is the focus of these Guidelines. Each of the five Statements includes a:

- Goal - the purpose or objective of the particular Statement;
- Basis - the reasons or rationale for the Statement;
- Application - the area to which the Statement applies, whether it is a specific geographic area, as in the case of Flood Risk Areas, or more widely applied, as in the case of Housing; and

- Provisions - the specific actions that should be taken or measures put into effect to meet the requirements of the Statement.

The Implementation section provides additional guidance regarding the municipal and provincial implications of these Statements. In some cases this takes the form of reinforcing what has already been said in the MGA, while in others it gives additional direction.

How are the Guidelines organized?

Each Statement (e.g. agricultural land, housing) has a separate Guideline. Every Guideline includes direct quotes of the text from Schedule "B" for that respective Statement (shown in text boxes) followed by explanatory or interpretive information as required. This material is presented in the same order as it appears in Schedule "B" - Goal, Basis, Application and Provisions. The Provisions section forms the heart of these Guidelines.

For purposes of convenience, a Definition section is included at the end of each Guideline. The definitions are taken directly from Schedule "B" and are only those that apply to that particular Statement. Words shown in bold and italicized type face (font) in a Guideline are terms which are defined in Schedule "B."

Some of the Guidelines, such as those for Drinking Water, Flood Risk Areas and Agricultural Land, also include attached reference maps to assist in identifying the areas to which they apply.

These Guidelines, as well as associated mapping, are available on the Service Nova Scotia and Municipal Relations Website at **www.gov.ns.ca/snsmr**

-Guideline 1 -

Drinking Water

GOAL:
- To protect the quality of drinking water within ***municipal water supply watersheds***

BASIS:
- A safe supply of drinking water is a basic requirement for all Nova Scotians.
- Inappropriate development in ***municipal water supply watersheds*** may threaten the quality of drinking water.
- Some water supply watersheds are located outside the municipality using the water. The municipality depending on the water therefore has no direct means of protecting its supply.

APPLICATION OF THE STATEMENT

This statement applies to all ***municipal water supply watersheds*** in the Province including surface watersheds and ***groundwater recharge areas***.

All surface watershed areas (watersheds) and ***groundwater recharge areas*** (recharge areas) which are the existing or identified future source of drinking water for municipally owned/operated water utilities are subject to this Statement. These ***municipal water supply watersheds*** are listed on Table 1 at the end of this Drinking Water Guideline and their geographical locations are shown on the Drinking Water - Implementation Guidelines map attached to this Guideline, as well as on the Service Nova Scotia and Municipal Relations Website (www.gov.ns.ca/snsmr). Additional future sources of municipal drinking water, once identified, will automatically be subject to this Statement.

Besides municipal water supplies, private, community, or First Nations owned/operated drinking water supplies also exist in Nova Scotia. These are not the focus of this Statement. Still, municipalities and other water supply operators are encouraged to work with the Province and identify and protect the quality of the drinking water in these watersheds and recharge areas.

PROVISIONS OF THE STATEMENT

1) ***Planning documents*** must identify all *municipal water supply watersheds* within the planning area.

The municipality carrying out the planning exercise must identify all water supply watersheds (including both watersheds and recharge areas) for any municipally owned/operated drinking water supplies in the planning area. This includes not only those of the municipality preparing the ***planning documents*** but also any watersheds and recharge areas of municipal water supplies of other municipalities that fall within the boundary of the planning area. This means, for example, that a rural municipality must identify any watersheds and/or recharge areas for an adjacent town that fall within its planning area.

To identify the extent of the watershed or recharge area, the natural drainage area boundary is the key factor. This boundary forms the limit beyond which the water flows to another watershed or recharge area. This flow may be overland by way of streams, rivers & lakes and/or by seeping into and moving through the ground. ***Planning documents***, at a minimum, must identify the natural drainage area for the ***municipal water supply watersheds*** for surface water supplies and where information is available identify them for the recharge areas for the groundwater supplies (wells).

Some water supply areas have been "designated" as protected water areas (PWA) under the provisions of the *Environment Act*. A PWA boundary typically differs from that of the natural drainage area, since property lines are often used to define the PWA designation area. At present, twenty-one (21) ***municipal water supply watersheds*** in Nova Scotia have been designated as protected water areas. In a PWA, activities which could impair water quality such as logging, swimming, fishing and boating may be regulated or prohibited. This differs from regulation under a municipal planning strategy and land-use by-law which deals with the use and development of land, and focuses mainly on buildings and structures. Where applicable, ***planning documents*** should include the boundary of any PWA designated under the *Environment Act*.

Planning documents should also specify the location of the water supply intake, since lands closest to these intakes typically require the greatest level of protection. In the case of groundwater supplies, the water supply intake is the actual site of the well(s), sometimes referred to as the wellhead(s).

Mapping for purposes of identifying ***municipal water supply watersheds*** is available from Service Nova Scotia and Municipal Relations and was prepared with assistance from the Department of Environment and Labour. See the list of contacts at the end of this Guideline for details. For purposes of generally locating the ***municipal water supply watersheds*** a small reference map of the province is provided at the end of this Guideline. On that

reference map and the larger size provincial maps (available from the Province - see contact information at the end of this Guideline), ***groundwater recharge areas*** are represented as points only, since in most cases the limits of recharge areas have not been verified by hydrogeological investigations or study.

A municipality's water utility may also be a source of mapping as well as other information relating to the water supply.

2) ***Planning documents*** must address the protection of drinking water in ***municipal water supply watersheds***.

Once the ***municipal water supply watersheds*** are identified, a municipality is required to deal with the matter of protecting the drinking water resource. To effectively do this, it is important to both understand conceptually what can pose a threat to water quality and know the specifics of the ***municipal water supply watershed*** covered by the ***planning documents***. With respect to the latter this includes the:

- type of ***municipal water supply watershed*** - either a watershed (surface water supply) or recharge area (groundwater supply);
- information about the natural and man-made environment in the ***municipal water supply watershed***, such things as the soil, topography, vegetation cover, property ownership, and extent & type of existing development.; and
- possible land uses and activities that could affect water quality [e.g. 'point sources' such as industrial facilities and 'non-point' sources such as lawn care chemicals) in the ***municipal water supply watershed***.

Planning documents should include background information on matters such as these, as a basis for informed decision making about the ***municipal water supply watershed***.

To protect the drinking water in the ***municipal water supply watershed*** the MGA provides municipalities with a number of tools. Most of these relate to ***planning documents***, although there are other powers. The specific development control tools used to protect the ***municipal water supply watershed***, be it zoning [S. 220], development agreements [S. 225-227], or site-plan controls [S. 231], is a municipal decision. The particulars of the watershed or recharge area (e.g. environmental conditions, size of watershed or recharge area, extent of development, development issues) will influence these decisions. This matter will be discussed in more detail later in this Guideline, under Section 3.

Where applicable, ***planning documents*** should address the matter of serviced land (e.g. water & sewer) within the watershed or recharge area, since it usually promotes development. Allowing new development on existing serviced lands is reasonable in most situations. However, permitting the expansion of serviced areas should be discouraged, since it usually promotes development.

Planning documents should not only recognize the impacts of individual uses but also the possible cumulative impacts of development in the watershed or recharge area. Overall though, minimizing the amount of new development in a ***municipal water supply watershed*** is one of the key ways to protect the municipal water supply.

Regardless of the approach used, ***planning documents*** must contain sufficient information and explanation to support it.

Here are five suggested measures that a municipality might use in its ***planning documents***.

Measures that should be considered include:

a) restricting permitted uses to those that do not pose a threat to drinking water quality;

Not all land uses pose the same threat to water quality. Even the same land uses can have different impacts depending on the specific design features and practices used. These practices apply both to how every day activities are carried out as well as to those during the construction phase of those land uses. These threats to drinking water can come from accidental events such as chemical spills (point source), or longer term cumulative impacts from things such as runoff from parking lots carrying automotive oils and road salt, or lawn care chemicals (non-point source). Hence, restricting uses to those that do not pose a threat to water quality is not always as straight forward as it may seem.

Contaminants that find their way into the water supply are the main concern. This can be in the form of chemical substances or microorganisms. They are things such as:

- organic compounds, such as petroleum products, solvents and pesticides;
- inorganic compounds, such as nitrogen and heavy metals; and
- disease bearing microorganisms, such as E. coli bacteria .

Groundwater supplies are particularly susceptible, because once contaminants get into the groundwater, it is extremely difficult to remove them.

Since ***planning documents*** cannot regulate the potential contaminants directly, it has to be done indirectly by controlling the land uses that may involve or produce them. Some examples of the types of uses which have a higher risk to contaminate drinking water are: dry cleaning establishments; outdoor storage facilities for fertilizers, pesticides or de-icing compounds; petrochemical industries and sanitary landfill/solid waste disposal sites.

b) balancing the expansion of existing uses against the risks posed to drinking water quality;

As with new uses, allowing expansion of existing uses has a lot to do with the use itself. For example, permitting an enlargement of a dwelling unit is one thing, but allowing the expansion of certain industries can be something entirely different. Again, as with new uses, the type of development control technique used might differ depending on the case in point. Basic zoning may be appropriate for a dwelling, but site-plan control or a development agreement may be more suitable for a commercial or industrial use.

c) limiting the number of lots. Too many lots may result in development which cumulatively affects drinking water quality. The minimum size of lots and density of development should be balanced against the risk posed to the quality of drinking water;

The amount of development in an area can be influenced by the number of lots that exist. Fewer lots often means less pressure from landowners for new development. It also reduces the risk of the cumulative effects of development. Limiting the number of new lots created in a watershed or recharge area can assist with this. Under the MGA, municipalities, through their subdivision by-law, can limit the number of lots created by the subdivision of a parcel of land in a calendar year [S. 271(4)(c)]. This requires supporting policy in the municipality's MPS.

d) setting out separation distances between new development and watercourses to provide protection from runoff;

Runoff can carry with it sediment, nutrients and contaminants (e.g. automotive oil). Establishing minimum setbacks or separation distances for developments means that runoff during and after construction is less likely to carry these undesirables to a watercourse. The MGA [S. 220(5)(o)] enables a municipality, where it has provided policy support in its MPS, to establish setbacks or separation distances from watercourses in its LUB. This separation distance provision is relevant to surface as well as groundwater supplies (wells), and the proximity of new development to the water supply intake is always a matter to consider.

The Department's Position Paper on *Separation Distances from Watercourses* (1992) suggests that a setback of 15 metres (50 feet) or less is acceptable in a broad range of cases. However, developments within a ***municipal water supply watershed*** may warrant greater separation distances. In watersheds where these larger setbacks may in

effect act as a prohibition on development "such interference with property rights is not justified without thorough and reasoned policy support".

e) establishing measures to reduce erosion, sedimentation, runoff and vegetation removal associated with development.

In addition to limiting the amount and type of development, municipalities should also consider measures that will minimize land clearing and ground alteration. Land that is stripped of vegetation, cleared and graded is prone to erosion due to rain, snow melt and runoff. Municipalities can put in place measures to reduce the impact of development during and following construction. The MGA enables a municipality, where it is in connection with a development, to:

- regulate or prohibit the excavation or filling in of land and the placement of fill or the removal or soil [S. 220(5)(g)].
- prescribe measures to control erosion and sedimentation during construction [S. 220(5)(l)]; and
- regulate, or require the planting or retention of trees and vegetation for sedimentation or erosion control [S. 220(5)(d)].

This can be accomplished through standard zoning, a development agreement or site-plan control process. For example, site-plan control can deal with retention of existing vegetation [S. 231(4)(e)] and lot grading and storm and surface water matters [S. 231(4)(j)]. Site-plan control however cannot be applied to one and two unit dwellings.

3) Existing land use and the location, size and soil conditions of a municipal water supply watershed will determine the land-use controls that should be applied. Large surface watersheds, for example, may be able to sustain more development than a small groundwater recharge area.

It is recognized that in some situations the long-term protection of the drinking water supply may be impractical. In these cases planning documents must address the reasons why the water supply cannot be protected. Municipalities in this situation should consider locating an alternate source of drinking water where long-term protective measures can be applied.

Each watershed or recharge area is unique in terms of its natural (e.g. soil type, vegetation cover, topography) and man-made environment (extent & type of existing development - roads, buildings, uses). These factors influence the types and amounts of development that are appropriate in the particular ***municipal water supply watershed***. As well, the size of the watershed or recharge area is another element which should not be overlooked. There is no "one size fits all" when it comes to the development of regulations to protect drinking water

and this is understandable in a province where the ***municipal water supply watershed*** can range in size from less than half a square kilometre (50 hectares) to almost 420 square kilometres (42,000 hectares).

The type of development control tool used - zoning, development agreement or site-plan control; the area within the watershed or recharge area to which they are applied and the specific uses permitted is a municipal decision. A municipality, for example, may adopt a uniform set of development controls across the whole watershed or recharge area. This may simplify the planning exercise, however it is not always practical. For example, in very large watersheds it may result in severe development restrictions over a large area. An alternative approach is to establish controls that relate the land use and its risk to the potential to harm water quality. Where this method is used, the distance from the water supply intake (in the case of recharge areas this is the wellhead) is often a key consideration, since water quality nearest the intake is of particular concern. Where the drinking water is from a groundwater source, this approach is commonly used since it is often difficult to exactly define the boundaries of the recharge area, and contamination from uses near the wellhead are a serious concern.

In some ***municipal water supply watersheds*** the existing amount of development may mean that traditional planning tools can no longer adequately address the safety of the drinking water supply. In such cases the best option may be for the municipality to seek out another source of drinking water. This then enables a municipality to do proper planning and establish development controls that offer a greater degree of protection for the water supply. Where ***planning documents*** do not provide protection for the ***municipal water supply watershed***, they must include reasons for not doing so.

4) The Province supports the preparation of watershed management strategies for all municipal water supply watersheds. These strategies should be prepared by the concerned municipalities and the municipal water utility, in consultation with all affected parties, including landowners.

Municipal ***planning documents*** are valuable tools for protecting ***municipal water supply watersheds***. However, they can only regulate in the area of land use and were not intended to address the broad range of matters associated with the protection of ***municipal water supply watersheds***. To deal with this, a watershed management strategy is required.

A ***municipal water supply watershed*** management strategy is a comprehensive document that addresses a wide range of matters relating to the management of a municipality's drinking water supply. These include matters not only of a land use nature, but also land acquisition, emergency preparedness, and water treatment. Typically, experts are hired to work with the municipality, its water utility and other stakeholders, such as landowners in the

watershed or recharge area, to prepare the watershed management strategy. ***Planning documents*** are normally referenced in a watershed management strategy and form part of its overall implementation package.

In cases where the municipality owns the land in the watershed or recharge area, the MGA provides new by-law powers [S. 180]. In these cases a municipality may designate the land as a protected water supply area. (This is different than a PWA designated under the *Environment Act*.) In a protected water supply area the MGA prohibits certain prescribed activities, such as camping, swimming and fishing. The MGA also states that the *Angling Act*, which otherwise would permit fishing, does not apply in these areas. A by-law established under these provisions could also form part of the watershed management strategy.

Since a watershed management strategy deals with a broad range of water supply protection issues, they are strongly supported by the Province. Whether a municipality first prepares a watershed management strategy and then prepares or amends it municipal ***planning documents*** accordingly or the reverse, is a municipal decision. It will depend on the particular issues in the ***municipal water supply watershed***, as well as local priorities.

A good source of information on watershed management strategies is "Designing Strategies for Water Supply Watershed Management in Nova Scotia" (1992). This document is available from the Nova Scotia Department of Environment and Labour.

DEFINITIONS

Groundwater Recharge Area - means the area of land from which water flows to supply a well.

Municipal Water Supply Watershed - means an area encompassing a surface watershed or recharge area, or a portion of it, serving as a water supply area for a municipal water system.

Planning Documents - means a municipal planning strategy, land-use by-law, development agreement and subdivision by-law.

These are the definitions from the Statements of Provincial Interest (Schedule "B" of the MGA) package applicable to this Statement regarding Drinking Water.

Note: these Guidelines and applicable mapping as well as other information are available at the Service Nova Scotia and Municipal Relations Website - **www.gov.ns.ca/snsmr**

For clarification or additional information, contact:

Service Nova Scotia and Municipal Relations, Municipal Services Division
P.O. Box 216, Halifax, N.S., B3J-2M4 424-3872

or

Nova Scotia Department of Environment and Labour, Resource Management and Environmental Protection Branch
P.O. Box 2107, Halifax, N.S., B3J-3B7 424-2555

Table 1
- Municipal Water Supply Watersheds -

Drinking Water Guidelines
Statements of Provincial Interest
Section 5.1 - Page 16

Location of Water Supply Watershed - Municipality *	Water Supply User	Water Supply Source	Watershed Reference # (NSDOE **Maps)	Protected Water Area (PWA) Designation***
Annapolis	Annapolis Royal & Granville Ferry	3 Wells	1DC-SD84	
Annapolis	Annapolis Royal	First Lake	1DC-2G	
Annapolis	Bridgetown	Crosskill & Foster Lakes	1DC-SD46	
Annapolis	Cornwallis Park	Lake Cady	1DC-1C	yes - 1965
Annapolis	Lawrencetown	Mud Lake Brook	1DC-3R	
Annapolis	Lawrencetown	1 Well	1DC-3R	
Annapolis	Margaretsville	Unnamed Pond	1DC-SD15	yes - 1967
Annapolis	Margaretsville	2 Wells	1DC-SD15	
Annapolis	Middleton	Lily & Second Lakes	1DC-3/1DC-3NNN	yes - 1966
Annapolis	Middleton	4 Wells	1DC-3	
Antigonish & Pictou	Antigonish	James River	1DR-5D	yes - 1988
Antigonish & Town of Antigonish	Antigonish	Wrights River Alluvial Aquifer	1DR-4	
Antigonish	Lower South River	3 Wells	1DR-6	
Antigonish	St. Andrews	4 Wells	1DR-6	
CBRM	Birch Grove	John Allen Lake	1FJ-5B	
CBRM	Centreville	1 Well	1FJ-SD59	
CBRM	Donkin	Unnamed Pond	1FJ-SD32	
CBRM	Floral Heights Subdivision	1 Well	1FJ-10H	
CBRM	Glace Bay, Dominion, Reserve Mines & Port Morien	Sand Lake	1FJ-6B	yes - 1964
CBRM	Louisbourg	Kelly Lake	1FJ-3B	
CBRM	New Waterford	Kilkenny Lake	1FJ-9B	
CBRM	New Waterford	Waterford Lake	1FJ-SD39	

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Table 1
- Municipal Water Supply Watersheds -

Drinking Water Guidelines
Statements of Provincial Interest
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Location of Water Supply Watershed - Municipality *	Water Supply User	Water Supply Source	Watershed Reference # (NSDOE **Maps)	Protected Water Area (PWA) Designation***
CBRM	North Sydney/Sydney Mines	Pottle Lake	1FJ-12	yes - 1971
CBRM	Sydney	Middle Lake Road Wellfield (11 Wells)	1FJ-10,1FJ-5	
CBRM	Sydney River	Sydney River	1FJ-10	
Chester	Mill Cove	2 Wells	1EH-SD11	
Colchester	College Park Subdivision	1 Well	1DH-6	
Colchester & HRM	Stewiacke	St. Andrews River	1DG-1YY	yes - 1973
Colchester & Cumberland	Tatamagouche	French River	1DO-2	
Cumberland	Amherst	North Tyndal Wellfield	1DM-1B	yes - 1992
Cumberland & Colchester	Springhill	Leamington Brook	1DL-2R	
Cumberland	Oxford	6 Wells	1DN-1G	
Cumberland	Springhill	2 Wells	1DL-2R	
Cumberland	Biggs Drive Subdivision	1 Well	1DM-2A	
Cumberland	Parrsboro	3 Wells	1DK-7C	
Digby	Digby	Van Tassel Lake	1DB-SD13	
Digby & Town of Digby	Digby	6 Wells	1DB-SD13	
East Hants	Shubenacadie	Snides Lake	1DG-1F	yes - 1972
Guysborough	Canso	Wilkins Lake	1EQ-SD11	yes - 1965
Guysborough	Mulgrave	Grant Lake	1DS-7B	
Guysborough	Mulgrave (Auxiliary)	Murray Brook	1DS-SD13	
HRM	Aerotech Industrial Park & International Airport	Bennery Lake	1DG-1NN	in progress
HRM	Churchill Estates Subdivision	3 Wells	1EJ-SD7	
HRM	Collins Park Subdivision	Lake Fletcher	1DG-1KK	
HRM	Dartmouth	Lake Major	1EK-6	yes - 1992

Table 1
- Municipal Water Supply Watersheds -

Drinking Water Guidelines
Statements of Provincial Interest
Section 5.1 - Page 18

Location of Water Supply Watershed - Municipality *	Water Supply User	Water Supply Source	Watershed Reference # (NSDOE **Maps)	Protected Water Area (PWA) Designation***
HRM	Dartmouth (Auxiliary Supply)	Topsail Lake & Lake Lamont	1EJ-1D	
HRM & East Hants	Enfield, Elmsdale & Lantz	Shubenacadie River	1DG-1	
HRM	Five Island Lake	1 Wells	1EJ-13	
HRM	Halifax (Auxiliary Supply)	Chain Lakes & Long Lake	1EJ-6	
HRM & East Hants	Halifax, Bedford, Areas of Halifax Co.	Pockwock Lake	1EH-2	yes - 1994
HRM	Halifax, Bedford, Areas of Halifax Co.	Tomahawk Lake	1EJ-4K	
HRM	Lively Subidvision	3 Drilled Wells	1EJ-4B	
HRM & Colchester	Middle Musquodoboit	Musquodoboit River	1EK-1	
HRM	North Preston	Long Lake	1EK-6B	yes - 1992
Inverness	Cheticamp	4 Wells	1FC-SD3	
Inverness	Inverness	Unnamed Stream	1FA-SD23	
Inverness	Inverness	1 Well		
Inverness	Judique	Rory Brook	1FA-SD11	
Inverness	Mabou	Unnamed Brook		
Inverness & Richmond	Port Hawkesbury	Landrie Lake & MacIntyre Lake	1FA-2 & 1FA-SD6	yes - 1982
Inverness	Port Hood	2 Wells	1FA-SD13	
Inverness	Whycocomagh	2 Wells	1FG-1	
Kentville (Town)	Kentville	4 Wells	1DD-2	
Kings	Canning	3 Wells	1DD-4	
Kings	Greenwood	3 Wells	1DC-3JJ	
Kings	Kentville	McGee Lake/Mill Brook	1DD-2R	yes - 1966

Table 1
- Municipal Water Supply Watersheds -

Drinking Water Guidelines
Statements of Provincial Interest

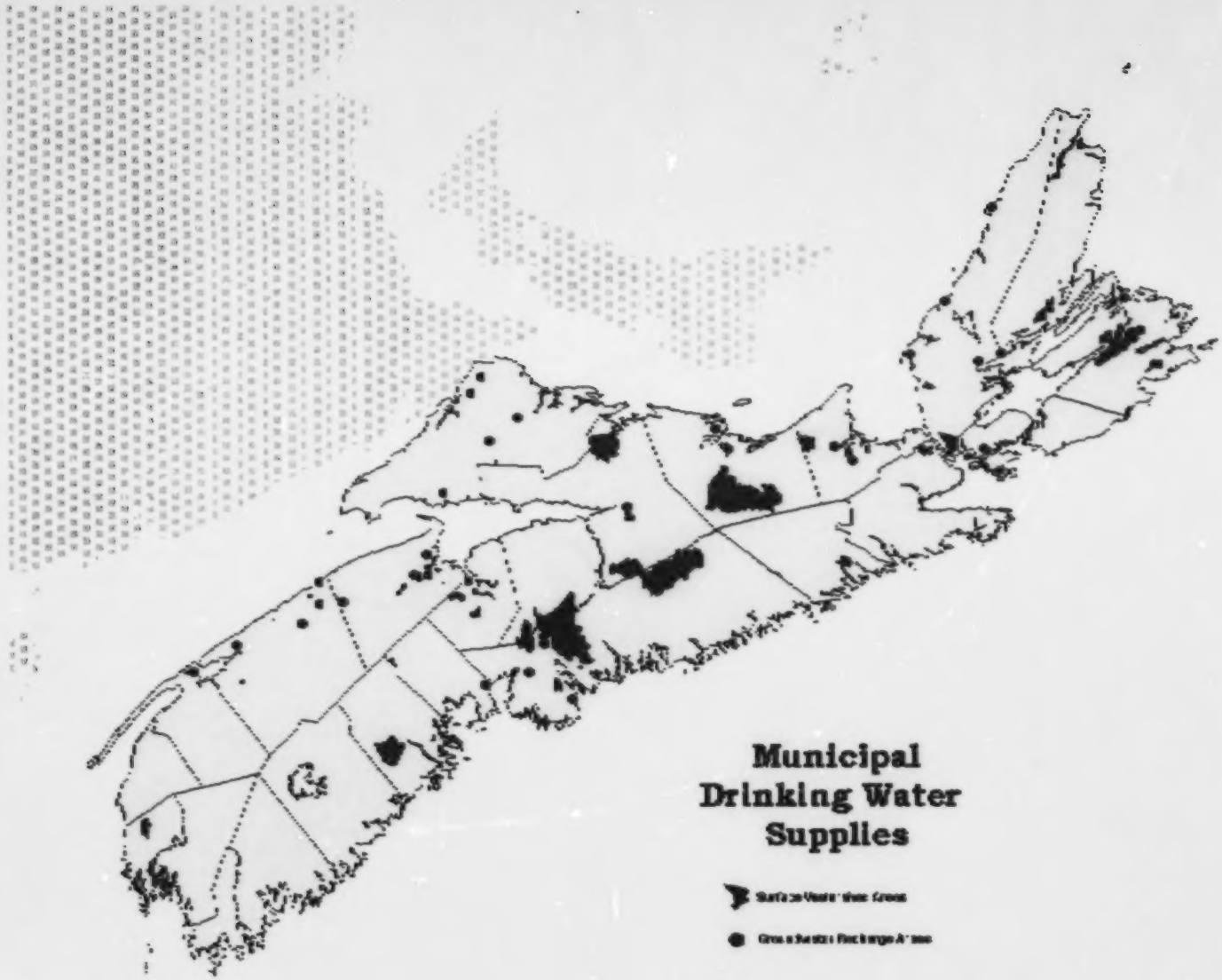
Location of Water Supply Watershed - Municipality *	Water Supply User	Water Supply Source	Watershed Reference # (NSDOE **Maps)	Protected Water Area (PWA) Designation***
Kings	Port Williams	3 Wells	1DD-2	
Kings	Wolfville (Auxiliary Supply)	Duncanson Lake	1DD-1W	
Lunenburg	Bridgewater	Hebb, Leipsigate, Minamkeak Lakes	1EE-1	yes 1964 & 1981
Lunenburg	Lunenburg	Dares Lake	1EG-SD14	yes - 1972
Lunenburg	Mahone Bay	Oakland lake	1EG-SD8	yes - 1963
New Minas (Village)	New Minas	5 Wells	1DD-2	
Pictou	New Glasgow & Westville	Forbes Lake (Secondary)	1DP-3HH	in progress
Pictou	New Glasgow & Westville	Forbes Lake (Primary)	1DP-3HH	
Pictou/Town of Pictou	Pictou	12 Wells (Caribou Wellfield)	1DP-SD3,4	in progress
Pictou	Stellarton	East River	1DP-3	
Queens Regional Municipality	Liverpool	Town Lake	1ED-1RRR	yes - 1964
Richmond	Arichat	Babins Lake	SD6 (Isle Madame)	
Richmond	Arichat	1 Well		
Richmond	Louisdale	Shannon Lake	1FH-SD34	
Richmond	Louisdale	1 Well	1FH-SD34	
Richmond	St. Peters	Beauvais Lake	1FH-SD8	
Shelburne	Shelburne	Rodney Lake	1EC-SD8	
St. Marys	Sherbrooke	Sherbrooke Lake	1EO-SD5	
Trenton (Town)	Trenton	5 Wells	1DP-3JJ	
Truro	Truro	Lepper Brook	1DH-6A	
Victoria	Baddeck	Peters Brook	1FF-1B	
Victoria	Dingwall	Middle Aspy River	1FD-5A	
Victoria	Little Narrows	1 Well	1FG-SD1	
Victoria	Neil's Harbour	Trout Brook	1FD-SD7	
West Hants	Falmouth	French Mill Brook	1DE-2B	yes - 1983

Table 1
- Municipal Water Supply Watersheds -

Drinking Water Guidelines
Statements of Provincial Interest
Section 5.1 - Page 20

Location of Water Supply Watershed - Municipality *	Water Supply User	Water Supply Source	Watershed Reference # (NSDOE **Maps)	Protected Water Area (PWA) Designation***
West Hants	Hantsport	Davidson Lake	1DE-3E	
West Hants	Hantsport	2 Wells	1DE-3E	
West Hants	Windsor	Mill Lakes (Fall Brook)	1DE-2M	yes - 1986
Wolfville (Town)	Wolfville	2 Wells	1DD-1W	
Yarmouth	Yarmouth	Lake George	1EA-6A	yes - 1964

Note: * Location of Water Supply Watershed - Municipality - unless otherwise specified this refers to rural municipalities
** NSDOE = Nova Scotia Department of the Environment
*** Designated under the *Environment Act*



Drinking Water

Implementation Guidelines

NOVA SCOTIA

-Guideline 2 -

Flood Risk

GOAL:

- To protect public safety and property and to reduce the requirement for flood control works and flood damage restoration in floodplains.

BASIS:

- Floodplains are nature's storage area for flood waters.
- New development in a floodplain can increase flood levels and flows thereby increasing the threat to existing upstream and downstream development.
- Five floodplains have been identified as Flood Risk Areas under the Canada-Nova Scotia Flood Damage Reduction Program.

APPLICATION OF THE STATEMENT

This statement applies to all Flood Risk Areas that are designated under the Canada-Nova Scotia Flood Damage Reduction Program. These are:

(1) East River, Pictou County,

(2) Little Sackville River, Halifax County,

(3) Sackville River, Halifax County,

(4) Salmon and North Rivers, Colchester County, and

(5) West and Rights Rivers and Brierly Brook, Antigonish County.

In Nova Scotia there are five rivers which were designated and mapped under the Canada - Nova Scotia Flood Damage Reduction Program (FDRP) [1980s]. These rivers are considered to be the most significant in the province in terms of their flood risk as it relates to the amount of existing development and the likelihood for flooding. Hence, they have a high potential for flood damage. An important condition in the federal-provincial FDRP agreement was that any new development in a designated flood risk area was not eligible for government flood damage assistance. An integral part of this program was the mapping of the flood risk areas on these five rivers. The rivers are identified on the attached Flood Risk Implementation Guidelines Map.

There are other areas in the Province that are subject to flooding which have not been mapped under the Canada-Nova Scotia Flood Damage Reduction Program. In these areas, the limits of potential flooding have not been scientifically determined. However, where local knowledge or information concerning these floodplains is available, ***planning documents*** should reflect this information and this statement.

Numerous other areas in the province are known to be subject to flooding. Documentation of flooding events in these areas varies in type and extent. It may take the form of historical records such as narrative descriptions, photographs, and recorded flood marks on buildings or structures. Where such documentation is available, a municipality should attempt to develop models or scenarios regarding the flooding. For example historical documentation, such as photos and recorded flood levels could be used to develop elevation maps to help define flood areas. Municipalities are also encouraged to undertake scientific studies to more precisely document flood risk in areas not covered by the FDRP mapping.

Where a municipality identifies in its ***planning documents*** locally known ***floodplains*** (non-FDRP flood risk areas), and establishes land use controls for these areas, care should be taken to ensure that these controls can be justified. The rationale for these land use controls should be set out in policy in the ***planning documents***.

PROVISIONS OF THE STATEMENT

1) ***Planning documents*** must identify Flood Risk Areas consistent with the Canada-Nova Scotia Flood Damage Reduction Program mapping and any locally known ***floodplain***.

The first step for a municipality is to identify any FDRP mapped flood risk areas and/or locally known ***floodplains*** within the planning area. These two types of flood risk areas should be dealt with separately. There are two reasons for this. FDRP areas are based on scientific/technical study and the other areas are typically based on historical information. As well, in FDRP flood risk areas, the federal-provincial agreement specified that there would be no government assistance for flood damage for new developments. These areas should be identified on zoning maps. In the case of FDRP mapped areas, zoning and other maps should identify the area in terms of both the ***floodway*** and ***floodway fringe***.

2) For Flood Risk Areas that have been mapped under the Canada-Nova Scotia Flood Damage Reduction Program ***planning documents*** must be reasonably consistent with the following:
   a) within the ***Floodway***,
      (i) development must be restricted to uses such as roads, open space uses, utility and service corridors, parking lots and temporary uses, and

This provision only applies to the flood risk areas for the five rivers that were designated under the FDRP. Under the FDRP each flood risk area was divided into two areas: ***floodway*** and ***floodway fringe.*** The ***floodway*** is the area where flooding is most likely to occur (on average flooded once in 20 years or 5% chance of being flooded in any given year). Also in these areas the floodwaters are deepest and flow fastest and so the potential of flood damage is greatest. To reflect this potential for damage, more stringent restrictions should be placed on development in the ***floodway***. This means, for example, prohibiting permanent structures in these areas in order to allow flood waters to flow freely. The types of uses that can be permitted include:

- recreation and open space uses, such as athletic fields, golf courses and parks;
- cropland and,
- utility/service corridors, since often much of the development is underground.

Temporary uses are acceptable, although typically subject to certain criteria, such as:

- the type of use (i.e. easily moved in case of a flood - e.g. mobile canteen, flea market);
- the seasonal nature of the use (i.e. permitted when the potential for flooding is lowest): and
- the overall impact of the use in the event of a flood.

(ii) the placement of off-site fill must be prohibited;

Placing fill in a flood risk area can alter the flow patterns and rates of flood waters as well as the storage capacity of the ***floodplain*** itself. Adding new fill reduces the storage capacity and increases the likelihood that lands previously not subject to flooding will be flooded. Hence, a municipality's ***planning documents*** must prohibit the placing of ***off-site fill*** in the ***floodway***. In other words there must be no net gain of fill within the ***floodway***.

(b) within the ***Floodway Fringe***,

(i) development, provided it is flood proofed, may be permitted, except for

(1) residential institutions such as hospitals, senior citizen homes, homes for special care and similar facilities where flooding could pose a significant threat to the safety of residents if evacuation became necessary, and

Flooding is less likely to occur in the ***floodway fringe*** than in the ***floodway***. As well, when floods occur the depth and speed of the floodwaters is also less. Consequently, buildings and structures for certain uses can be permitted, provided they are built in a way that minimizes the impact of any floodwaters on them. There are two ways buildings or structures can be built to minimize this impact:

- Dry Proofing: this means raising the elevation of the ground around the building or structure itself so floodwaters are diverted around it. In essence, the building or structure becomes an island of higher ground around which flood waters flow.
- Wet Proofing: this means raising the building or structure, so that it is in essence on stilts, so that the water flows underneath or through it (eg. parking garage at ground level).

Ice floes are often associated with flooding in Nova Scotia and so the design of such structures should take this into account.

Some uses such as hospitals and nursing homes should not be permitted in the ***floodway fringe***, since it is essential that people and goods (e.g. ambulances) be able to move freely to and from them at all times.

(2) any use associated with the warehousing or the production of ***hazardous materials***,

Concern about the possible damage or destruction of buildings and property is one of the reasons for this statement. In this context allowing ***hazardous materials*** to be stored or produced in a ***floodway fringe*** could pose a real health and environmental risk if they got into the water. Consequently, uses associated with these materials must be prohibited in the ***floodway fringe***. These include uses such as petrochemical storage facilities.

(ii) the placement of off-site fill must be limited to that required for flood proofing or flood risk management.

Since flood waters are likely to be less deep in the ***floodway fringe*** and the flows slower, the placement of ***off-site fill*** is less of an issue. Still ***off-site fill*** must be restricted. A reasonable restriction is to limit its use to that which is necessary for a building to be ***floodpoofed*** by raising the elevation of the ground around the outside of a building. It can also be used for dyke construction for purposes of flood control and to improve or smooth the flow of flood waters.

3) Expansion of existing uses must be balanced against risks to human safety, property and increased upstream and downstream flooding. Any expansion in the ***Floodway*** must not increase the area of the structure at or below the required flood proof elevation.

This applies to FDRP mapped areas, but it is suggested that it also be applied to other locally known ***floodplains***. The objective of this requirement is to restrict expansions of existing uses in the ***floodway*** so that the ***floodplain*** storage capacity and flood water flows are not changed. This can be achieved by limiting building and structure expansions to those that extend upwards rather than out. Such expansions might be allowed only by development agreement or site plan control since these types of development control tools provide greater control of the details of an expansion.

4) For known ***floodplains*** that have not been mapped under the Canada-Nova Scotia Flood Damage Reduction Program, ***planning documents*** should be, at a minimum, reasonably consistent with the provisions applicable to the ***Floodway Fringe***.

This pertains to flood risk areas that have <u>not</u> been designated and mapped under the FDRP. Flood risk information for these areas is typically less detailed and so it is more difficult to justify stringent development controls. Still, at a minimum the requirements of a ***flood fringe*** area should be used for these flood risk areas. Refer to Section 2(b) of this Guideline for guidance. However, this does not preclude a municipality from establishing more stringent requirements where more detailed information and/or local conditions warrant it.

5) Development contrary to this statement may be permitted provided a hydrotechnical study, carried out by a qualified person, shows that the proposed development will not contribute to upstream or downstream flooding or result in a change to flood water flow patterns.

This applies to both FDRP mapped areas and other flood risk areas. It enables a

municipality to permit developments which are otherwise contrary to this Statement through the use of a hydrotechnical study. Such a study would be required to demonstrate that a proposed development will not increase flooding or change flood flow patterns. A hydrotechnical study is a specialized scientific investigation of water flows and flood contributing factors (e.g. tides, ice) .

Municipalities with flood risk areas mapped under the FDRP should not assume that the approved FDRP mapping or the conditions that apply under that program to those lands will change as a result of the hydrotechnical study.

DEFINITIONS

Floodplain- means the low lying area adjoining a watercourse.

Floodproofed- means a measure or combination of structural and non-structural measures incorporated into the design of a structure which reduces or eliminates the risk of flood damage, usually to a defined elevation.

Floodway- means the inner portion of a flood risk area where the risk of flooding is greatest, on average once in twenty years, and where flood depths and velocities are greatest.

Floodway Fringe- means the outer portion of a flood risk area, between the floodway and the outer boundary of the flood risk area, where the risk of flooding is lower, on average once in one hundred years, and floodwaters are shallower and slower flowing.

Hazardous Materials- means dangerous goods, waste dangerous goods and pesticides as defined in the Environment Act C.1, S.N.S. 1994-95.

Off-site Fill- means fill that has been imported from outside the floodplain or fill which is transported from the Floodway Fringe to the Floodway.

Planning Documents - means a municipal planning strategy, land-use by-law, development agreement and subdivision by-law.

These are the definitions from the Statements of Provincial Interest (Schedule "B" of the MGA) package applicable to this Statement regarding Flood Risk.

Note: these Guidelines and applicable mapping as well as other information are available at the Service Nova Scotia and Municipal Relations Website - **www.gov.ns.ca/snsmr**

For clarification or additional information, contact:

Service Nova Scotia and Municipal Relations
Municipal Services Division
P.O. Box 216, Halifax, N.S., B3J 2M4
424-3872

or

Nova Scotia Department of Environment
Resource Management and Environmental Protection Branch
Ecosystem and Risk Management Branch
P.O. Box 2107, Halifax, N.S., B3J 3B7
424-2555

Flood Risk Areas

Flood Risk

Implementation Guidelines

Statements of
Provincial Interest

[illegible]

[illegible]

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NOVA SCOTIA
[illegible]

-Guideline 3 -

Agricultural Land

GOAL:

- To protect ***agricultural land*** for the development of a viable and sustainable agriculture and food industry.

BASIS:

- The preservation of ***agricultural land*** in important to the future of Nova Scotians.
- ***Agricultural land*** is being lost to non-agricultural development.
- There are land-use conflicts between agricultural and non-***agricultural land uses.***

APPLICATION OF THE STATEMENT

This statement applies to all active ***agricultural land*** and land with agricultural potential in the Province.

The focus of this statement is on lands which are currently being used for agriculture or which because of the soil characteristics have potential for agricultural production. The term ***agricultural land,*** is defined in the Municipal Government Act's Schedule "B" - Statements package and for reference purposes the definition appears at the end of this Guideline. It clarifies that agricultural potential means land defined by the Canada Land Inventory as Class 2, 3 or 4 and situated in active agricultural areas. It also points out that ***agricultural land*** also means specialty crop lands and dykelands, as identified by the Department of Agriculture and Fisheries.

PROVISIONS OF THE STATEMENT

The Statement sets out three provisions:

1) ***Planning documents*** must identify ***agricultural land*** within the planning area.

Land suitable for agriculture is limited in Nova Scotia and so it is important to recognize and protect it.

Planning documents <u>must</u> identify lands which meet the ***agricultural land*** definition. This

includes:

- lands presently in active agriculture and land with agricultural potential;
- lands on which specialty crops such as blueberry, cranberry and grapes are cultivated; and
- dykelands which are suitable for commercial agricultural purposes.

Specialty crops have been singled out because they often have specific growing requirements and/or specific infrastructure investments which are important to recognize. Dykelands are also noted because they represent some of the most fertile land in the province and the dykes which sustain these areas are maintained at public expense. The Nova Scotia Department of Agriculture and Fisheries should be contacted to ensure that all dykeland areas have been identified.

Planning documents also should distinguish between active lands and those that have agricultural potential. This provides a better picture of the agricultural industry in the planning area and can help in decision making regarding land use and development. Where possible, active ***agricultural land*** which has undergone land improvements, such as ditching and tile drainage should be identified, since these typically represent public investments. A good initial source of agricultural land use information is the Agriculture Land Information Program (ALIP) maps (1998). These are available from the Resource Stewardship Branch, Nova Scotia Department of Agriculture and Fisheries. A reference map showing this information, entitled Agricultural Land - Implementation Guidelines, is attached.

2) ***Planning documents*** must address the protection of ***agricultural land***. Measures that should be considered include:

Clearly ***planning documents*** are expected to protect ***agricultural land***. The Statement sets out ways (listed below) by which these lands may be protected in ***planning documents.*** Where ***agricultural land*** is not protected in ***planning documents***, municipalities must identify the area and state why these lands cannot be protected.

(a) giving priority to uses such as agricultural, agricultural related and uses which do not eliminate the possibility of using the land for agricultural purposes in the future. Non-agricultural uses should be balanced against the need to preserve ***agricultural land***;

The first priority for ***agricultural land*** should be to agricultural uses. This includes (but is certainly not limited to) farms that carry out one or more of the wide range of uses which are clearly agricultural, such as:

- field vegetables (e.g. carrots, corn, cabbage),
- fruit trees,

- grapes and other vine fruits, berries, and
- pasture.

As well, agricultural uses include the buildings such as livestock structures, grain and equipment storage, manure storage and residences directly related to the farm operation. Agricultural industries which do food processing can also be considered agricultural related.

Non-agricultural uses such as renewable resource uses (e.g. forestry and passive recreational uses) may also be permitted, since they do not eliminate the possibility of using the land for agricultural purposes in the future. These permitted non-agricultural uses should be ones which do not negatively affect the ***agricultural land*** base itself (i.e. do not remove the good soil or otherwise alter the landscape) and/or which require financial investment for such things as, but not limited to, infrastructure (roads, water/sewer, buildings) which make it impractical to convert the land to agriculture.

It is recognized that not all ***agricultural land*** can be protected. There are situations where growth and development must be accommodated. A couple of examples are where growth centres (e.g.hamlets) are identified to concentrate development in one area rather than have it scattered throughout an agricultural area. Another example, is where there are existing centralized services (e.g water, sewer) or where an area is designated for such services in the future.

(b) limiting the number of lots. Too many lots may encourage non-agricultural development. The minimum size of lots and density of development should be balanced against the need to preserve ***agricultural land***;

The extent to which development occurs in an area can also be influenced by the number of lots that exist. Where fewer lots exist, this often means less pressure from landowners for development. Limiting the number of new lots created in a agricultural area can help lessen this pressure. It can also reduce the amount of scattered development and assist in retaining larger property sizes which can be important for today's larger mechanical agricultural equipment. Under the MGA, municipalities, through their subdivision by-law, can limit the number of lots created by the subdivision of a parcel of land in a calendar year [S. 271(4)(c)]. This requires supporting policy in the municipal planning strategy (MPS).

(c) setting out separation distances between agricultural and new non-agricultural development to reduce land-use conflicts;

Farm land is often the site of activities which may cause odour, dust, and noise. These activities are often carried out at all hours of the day. They may conflict with adjacent land uses,

particularly residential and urban-related uses. Therefore, consideration should be given to establishing separation distances between agricultural uses and non-agricultural uses, such as housing, in the ***planning documents***.

Since farms and their impacts vary considerably, there are no hard and fast rules for separation distances. Still there are some sources of information which may be of assistance. For example the Department of Agriculture and Fisheries has prepared "Guidelines for the Siting and Management of Hog Farms in Nova Scotia". That document, in addition to setting recommended separation distances for farms, also suggests that municipalities apply these separation distances in a reciprocal fashion to other land uses. For example, this means establishing a separation distance for a new hog barn from existing residential uses and a similar one for new residential uses from existing hog barns.

(d) measures to reduce topsoil removal on lands with the highest agricultural value.

Good soil is essential for most agriculture. Removing the topsoil can change once highly valued agricultural soil into virtually useless farm land. The MGA provides municipalities with the power under Section 220 (5)(h) to "regulate or prohibit the removal of topsoil" by way of the LUB, where there is supporting policy in the MPS. This is a new power.

3) Existing land-use patterns, economic conditions and the location and size of agricultural holdings means not all areas can be protected for food production, e.g., when ***agricultural land*** is located within an urban area. In these cases, ***planning documents*** must address the reasons why agriculture lands cannot be protected for agricultural use. Where possible, non-agricultural development should be directed to the lands with the lowest agricultural value.

It is not always possible, nor ultimately in the best public interest, to protect all lands capable of agricultural production. Development and growth especially in urban centres is often inevitable. For example, in areas adjacent to urban centres ***agricultural lands*** over time may become surrounded or interspersed with non-agricultural uses. Also, in some cases urban services such as centralized water and sewer may have even been extended into these areas. In such cases making efficient and effective use of the services may be more appropriate than protecting the land for agriculture.

Providing for non-agricultural growth (e.g. residential, commercial and industrial uses) is an important objective of ***planning documents***. Encouraging infilling and allowing higher densities of development in existing built up areas is one way of protecting adjacent ***agricultural land***. Another is to direct growth to lands with the lowest potential for agriculture.

DEFINITIONS

Agricultural Land	- means active farmland and land with agricultural potential as defined by the Canada Land Inventory as Class 2, 3 and Class 4 land in active agricultural areas, speciality crop lands and dykelands suitable for commercial agricultural operations as identified by the Department of Agriculture and Marketing.
Planning Documents -	means a municipal planning strategy, land-use by-law, development agreement and subdivision by-law.

These are the definitions from the Statements of Provincial Interest package (Schedule B of the MGA) applicable to this Implementation Guideline regarding Agricultural Land. The Department of Agriculture and Marketing referred to in the definitions is now known as the Department of Agriculture and Fisheries.

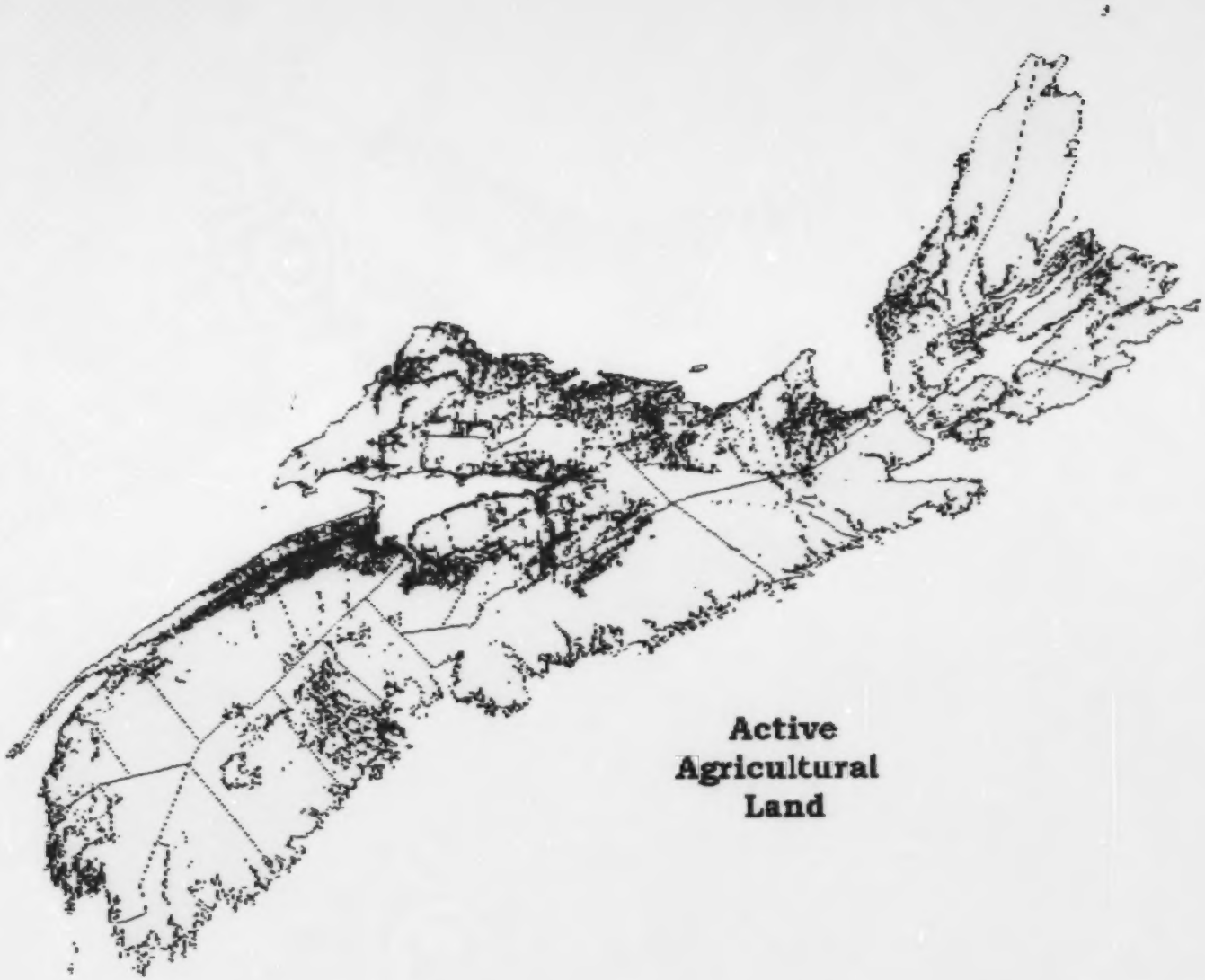
Note: these Guidelines and associated mapping as well as other relevant information are available at the Service Nova Scotia and Municipal Relations Website - **www.gov.ns.ca/snsmr**

For clarification or additional information, contact :

Service Nova Scotia and Municipal Relations, Municipal Services Division
P.O. Box 216 Halifax, NS, B3J 2M4 424-3872

or

Nova Scotia Department of Agriculture and Fisheries, Resource Stewardship Branch
P.O. Box 550 Truro, NS, B2N 5E3 893-6575



Agricultural Land

Implementation Guidelines

NOVA SCOTIA

Section 5.2

Municipal Planning Strategy and Land-Use By-law Preparation

1. Introduction

This guide is for planners and non-planners.

This document is a 'how to' guide that describes the basic components of a Municipal Planning Strategy (Strategy) and how a Strategy is linked to a Land-Use By-law (By-law). The contents are designed to assist municipalities in drafting a Strategy and an implementing By-law and their amendments. This document should also be of interest to others in providing a better understanding of what is entailed in preparing a Strategy and a By-law. The approaches described and examples cited in this document are presented as illustrations and should not be considered to be the only approach possible.

These *Guidelines* have evolved from comments and suggestions from municipal planners, from contents of Strategies and By-laws submitted to Service Nova Scotia and Municipal Relations for review, and in light of court decisions and planning appeal decisions rendered by the Nova Scotia Utility and Review Board. The Department intends to update these *Guidelines* as new situations arise or as municipalities propose new solutions to issues.

2. Strategy - General

What is the purpose of a Strategy?

The purpose of a Strategy is to provide statements of policy for the management of the municipality. Its usual focus is on policies to deal with problems and opportunities related to the development of land although a wide variety of other issues may be addressed.

A Strategy is a legal document and is adopted as a by-law of the municipality. Once approved (see *MGA Resource Binder, Information Bulletin #25)*, it has the status of a law of the municipality. In keeping with this legal status, a Strategy should not only be capable of being understood by the lay person, but it should also be legally interpretable.

It is important to emphasize that a municipality cannot act contrary to its Strategy (Section 217 of the *Act*) such as allowing a type of development that the Strategy states will be prohibited. At the same time the policies in a Strategy do not commit a Council to undertake any project (eg. sidewalk construction on certain streets) but they would prevent a Council from carrying out the project in a manner which is inconsistent or at variance with the policies.

2.1 Authority

The Municipal Government Act provides the authority for a Strategy.

Section 190 of the *Act* states that: "The purpose of this Part is to: ... (b) enable municipalities to assume the primary authority for planning within their respective jurisdictions...." The actual items that may be addressed in a Strategy are listed in Section 214 of the *Act*. This Section focuses largely on land-use and physical planning elements. A Strategy may, nonetheless, deal with social and economic issues and many Strategies across the province do include these matters. However, the ability of a municipality to implement social and economic policies through a By-law are limited, although most may be accomplished through other means.

2.2 Subject Matter

What is in a Strategy?

The choice and relative importance placed on the subject matter addressed in a Strategy is up to each individual municipality within the framework of the *Municipal Government Act*. It will vary from municipality to municipality depending upon community goals, objectives and planning issues. In addition, the degree of municipal control over certain subject matters varies. Some matters are wholly within a municipality's jurisdiction, while others are partially or totally the responsibility of the other two levels of government (federal and provincial). For example, in many areas regarding environmental protection and standards the authority for setting standards etc. rests with either the provincial or federal governmetn. (i.e. air quality). In such cases policy will normally state that "the municipality will liaise with the appropriate Provincial or Federal agency regarding air quality in the municipality."

2.3 Background Studies

The process of drafting a Strategy will usually result in the preparation of separate background study or studies. This might include such things as:

- a summary of the existing and historical demographic trends in the planning area and what future trends look like;
- a summary of the existing and historical development patterns in the planning area;
- a discussion on opportunities and problems in the municipality;
- service capacities (water and sewer systems); and
- an updated existing land-use inventory

Although the type and detail of studies will vary from situation to situation demographic trends, subdivision, development permit and building permit activities are rarely reviewed.

Separate background studies should be clearly identified and referenced in the Strategy and these documents should be available to the public. As well as a summary or outline of the major findings of these studies are often contained in Strategies. It is suggested that a list of the studies be included as an appendix to the Strategy. (See also Section 3.1.3. of this *Guideline*.)

2.4 Statements of Provincial Interest

How does the Statements of Provincial Interest relate to the Strategy?

The *Act* (Section 193) enables the province to adopt statements of provincial interest that are "necessary to protect the provincial interest in the use and development of land." There are five statements in effect. They deal with drinking water, flood risk areas, agricultural land, infrastructure and housing. The *Act* (Section 196) requires that provincial activities must be "reasonably consistent with a statement of provincial interest." It also requires (Section 198) that municipal planning documents be "reasonably consistent with the statements." Municipal planning documents must specifically address these statements and their applicability with the municipality. (Also see the Guidelines for the Statements of Provincial Interest.)

A municipality can use the Provincial Subdivision Regulations or it can adopt a muncipal subdivision by-law.

2.5 Provincial Subdivision Regulations

The *Act* requires the Minister to prescribe *Provincial Subdivision Regulations* (Section 270). These Regulations apply to every municipality and they set out the framework for subdividing land in the provinces.

Over the years most municipalities have adopted a subdivision by-law, consistent with the *Provincial Subdivision Regulations*. But for those municipalities which did not, the *Regulations* were deemed to be their by-law on April 1, 1999, the effective date of the *Act* (Subsection 270(5)). A municipal subdivision by-law applies to the entire municipality, although there may be different requirements for different areas of the municipality.

A municipal subdivision by-law must be consistent with the *Regulations*, however, a municipality may vary or waive the requirements of the *Regulations*:

- if its subdivision by-law sets out requirements that are more stringent that those set out in the *Regulations*; or
- where the requirements being varied or waived are dealt with by policy in a Strategy.

Apart from waiving or varying the *Regulations*, there are a number of items that the *Regulations* do not address that may be included in a municipal subdivision by-law. These items are listed in sections 271(3) and 271(4) of the *Act*. They include such things as:

- standards and requirements for the installation of sewer and water services;
- the transfer of land for open space;
- limiting the number of lots that may be created from an area of land in a calendar year;
- requiring up to 10% open space dedication; and
- regulating the width of streets and private rights-of-way.

Section 274 of the *Act* enables the municipality to require infrastructure charges in a *Subdivision By-law*, provided there is specific supporting policy in its Strategy.

3. Strategies - Background

Municipal planners in Nova Scotia employ a number of document organizational formats and styles. This section provides a general review of the main organizational formats and styles found in the province.

A Strategy may:

- cover the entire geographical area of the municipality;
- cover a specific geographical area such as a watershed area, a village or a polling district in a county or district municipality; or
- address a specific land-use activity in the municipality or in a specific geographical area (eg. fox and mink ranches, fish reduction plants or scrap yards).

Whatever the area or subjects covered, it is important to remember that the document is a working public document and in this context the objective should be to make the document user friendly. It should not be seen as a document that only the planners can understand or use. There are a number of things that can be done to make the document more user friendly. Suggestions include:

- using cross references and/or footnotes;
- listing all the background studies in an appendix;
- setting out in an appendix a brief description of how all pertinent boards or committees relate to Council (this might describe their purpose, their funding responsibilities and their composition and any relevant special legislation might also be cited); and
- including a glossary of terms.

3.1 General Format

What type of format should be used?

When beginning the municipal planning process Council must first decide what type of planning approach it wants to pursue. There are a number of options:

- a comprehensive municipal-wide Strategy;
- a comprehensive area specific Strategy;
- a single issue Strategy; and

- a Secondary Strategy

A comprehensive Strategy covers the whole geographical area of the municipality and all major areas of concern (for example, commercial, residential, industrial, recreational, social and economic areas of concern). This approach is more common to towns. County or district municipalities, alternatively, often adopt comprehensive area specific Strategies. These planning documents cover all the major areas of concern but they only cover one or two districts in the municipality. The other two types of Strategies are described in Section 3.1.1 and 3.1.2.

3.1.1 Single Issue Strategies

A municipality, particularly, a rural municipality may not wish to prepare a comprehensive Strategy (i.e., a Strategy that covers the entire municipality and deals with all land-use concerns). Section 214(1) of the *Act* lists the items that may be addressed in a Strategy. It also indicates that a Strategy may address "any or all" of the items listed. The items that are addressed rests with Council. For example, Strategies have been adopted that focus on the protection of municipal drinking water supply area and on the location of land-uses such as scrapyards, fish reduction plants and fox and mink ranches. These Strategies are called single issue Strategies, and although they cover the entire municipality, they only deal with specific land-use issues.

3.1.2 Secondary Strategies and Strategies That Cover a Portion of A Municipality

Strategy and Secondary Strategies, what is the difference?

A Secondary Strategy approach may be suitable for a municipality, which includes a number of diverse areas each with unique planning issues. It involves Council adopting a general Strategy for the entire municipality and subsequently amending this Strategy by adding:

- more detailed plans (Secondary Strategies) for specific areas of the municipality (eg., a village, an urban fringe area, different inner-city neighbourhoods) and/or
- detailed management strategies for municipal services

such as sewers, water and recreation.

Staff resources may influence Council's decision as to what approach to take as a comprehensive municipal-side Strategy may be beyond municipal resources. Preparing a series of detailed Secondary Strategies over the course of a number of years may be more practical.

A Secondary Strategy should as much as possible be consistent with the policies in the general municipal-wide Strategy. This will eliminate any confusion between the two documents. The policies may differ, to address unique circumstances in the Secondary Strategy area. For example, depending on the area of the municipality a Secondary Strategy may wish to encourage marine related uses or discourage residential development on prime agricultural lands.

In some instances, the policy set out in a Secondary Strategy may necessitate amending the relevant policy in the municipal-wide Strategy. When this occurs the general Strategy policy should be amended at the same time as Council is adopting the Secondary Strategy. This situation might arise if the Secondary Strategy establishes a new zone within the future land-use designation. The general municipal-wide Strategy would need to be amended to incorporate policy establishing this new zone. Furthermore, if supported by policy it may perhaps be necessary to amend the General Strategy to allow the use of this new zone outside the geographical area of the Secondary Strategy.

3.1.3 'Unofficial' Portions of A Strategy

Sometimes a document is written such that only a part of it is intended to be the official Strategy. Background studies prepared for the Strategy and By-law may be used as an introduction. It must be clearly stated, however, that these do not form part of the official Strategy for legal purposes.

If there are aspects which can be expected to change frequently, such as municipality's administrative planning procedures, they should not form part of the Strategy. If they are, every time Council decides to change its internal administrative procedures, an amendment will be required. This amendment process involves

substantial work and may take considerable time to complete. Matters such as this should not be included in the official part of the Strategy.

3.2 A Strategy With a By-law

When does a Land-Use By-law have to accompany a Municipal Planning Strategy?

When a Strategy for all or part of a municipality contains statements of policy with respect to the control of land-use and development, it must be accompanied by a Land-use By-law. The By-law is required only to the extent that land-use controls are necessary to implement policies contained in the Strategy. There should be sufficient text, policy and maps in the Strategy to support the provisions in the By-law. (Section 6 of this *Guideline* discusses the interrelationship between a Strategy and a By-law.)

3.3 A Strategy Without a By-law

Planning is often identified as one of a group of activities, such as budgeting and staffing, which together can be called management. On the other hand, the phrase "municipal planning" is often viewed as a specialized activity quite apart from the broader management of a municipality. The traditional "policies for zoning" approach sometimes discourages the use of municipal planning documents as a management tool to deal with change in areas of municipal jurisdiction other than land-use and development.

If the Strategy does not deal directly with land-use, a By-law is not required.

A Strategy may be used as a "management plan." A Council may choose to formally state its objectives and policies concerning the future of any municipal program, service or department. Such a planning strategy would provide guidance to staff through standing policies and provide the public with a clear statement of the Council's intentions. Such a "plan" can be adopted under the *Act*.

Some examples of the content of such a Strategy include:

Objective 1:

> *To provide an increased level of recreational activities and facilities for teenagers and senior citizens.*
>
> Policy Content:

Conduct a recreation needs study to determine activities desired by target age groups.

Create a new staff position in the Recreation Department in Year 2.

Renovate the West End Community Centre preferably in Year 3 with suitable reference to capital budgeting.

Objective 2:

To increase the rate of industrial growth in the Community.

Policy Content:

Continue to support the work of the Regional Development Authority and Economic Development (Committee of Counicl)

Prepare and distribute new promotional literature to potential developers.

Request that the Planning Department conduct a comprehensive review of the municipality's approach to promoting development and submit a report to Council in Year 2.

Objective 3:

To improve long-term capital and public works management.

Policy Content:

Develop and monitor a ten-year maintenance program for the sewer and water systems, streets and sidewalks.

Request all departments to prepare a five year vehicle and equipment replacement forecast.

Establish terms of reference for a Development Forecast Study to determine the areas of land likely to require service extensions in the next decade and the financial impact of these.

Annually review all long term expenditure forecasts in the preparation of the Three Year Capital Budget.

Ideally, these types of management policies would be carefully integrated with the land-use policies to produce a comprehensive planning strategy for the municipality. It is recognized that some Councils may wish to deal primarily with land-use matters in their Strategies while others may wish to deal primarily with non-land-use questions. Non-land-use issues do not require an implementing Land-use By-law.

This management approach to municipal planning should involve all the relevant municipal departments required to achieve the particular policy objective. For example, Objective 3 (To improve long-term capital and public works management), would require the involvement of the Engineering, Public Works, Planning and Finance Departments.

(The Act enables this type of Strategy. To date, however, no municipality has enacted a Management Strategy under the planning provisions of the MGA; consequently, this example is presented as an illustration of what might be included in such a Strategy. See also Section 5.3.1. of this Guideline.)

3.4 A Strategy With a Subdivision By-law

It is possible for a municipality to adopt a Strategy dealing only with subdivision matters that is implemented by a Subdivision By-law rather than a Land-use By-law. The Municipality of West Hants used this approach to deal with the preservation of agricultural lands in a portion of the Municipality. A separate Strategy was adopted for that area of the municipality and the policies dealt solely with limiting the annual rate of subdivision of land in that area in a calendar year. To implement this Strategy, the Municipality amended its Subdivision By-law by adopting a provision limiting the subdivision of land in that area to one lot and a remainder lot or two lots and no remainder lot for any existing parcel of land during a calendar year. *Note: This Strategy dealt only with the subdivision of land; however, the subdivision of land may be dealt within a Strategy along with other subjects identified in Section 214 of the Act.*

What is the best way to organize the Strategy?

4. Strategy s Organization

The overriding aim in drafting a Strategy is to make it understandable, practical and workable from a planning, legal and an administrative point of view. The public and Council both want a document that is understandable to the professional and the public. There are a number of functional approaches to the organization of a Strategy and the choice of approaches rests with the municipality. The following five examples are suggested approaches for organizing a Strategy.

4.1 Functional Classification System

This suggested approach is an attempt to organize planning subject areas into categories that can be related to the functional classification system set up by the Department and used by municipalities in their annual estimates and financial reports. A detailed breakdown of this system can be found by looking at the Department's Municipal Accounting and Reporting Manual. The order or sequence of the categories in a Strategy may be adjusted to fit the individual municipality.

A Strategy organized along these lines might first address the traditional land-use subject areas (residential, commercial, industrial, etc.) and then deal with the various municipal services provided. A possible table of contents for such a Strategy is presented below.

1. Introduction/Preamble
2. Land-use (including a background analysis of each)
   - Residential
   - Commercial
   - Industrial
3. Environmental Health Services
   - sewer
   - water
   - solid waste
4. Environmental Development Services
   - Housing *
   - Natural Resources*
   - Industrial Parks*
   - Tourism*

5. Recreation and Cultural Services
6. Education
7. Transportation Services
8. Public Health and Welfare Services
9. General Government Services
10. Protective Services
11. Implementation

* where not covered previously in #2 Land-use

4.2 Modified Functional Classification System

A modified alternative to Section 4.1 would be to use the traditional subject areas, beginning with the major land-use classifications followed by the major public services. A separate section could then be added to link Strategy policies with the capital budgeting process. In this instance the table of contents might look like the following.

1. Introduction/Preamble
2. Background
3. Residential Development
4. Commercial Development
5. Industrial Development
6. Institutional Development
7. Open Space and Recreation
8. Transportation Network
9. Water and Sewer Services
10. Health, Education and Library Services
11. Police and Fire Protection
12. Capital Budgeting
13. Implementation

4.3 Geographical Approach

Either combined with the second approach, or separately, the Strategy might be organized around geographical areas such as neighbourhoods, communities, town centres or resource areas. This approach may be more appropriate for Strategy's for rural municipalities or for larger towns and regional municipalities. For example, a Strategy for a rural municipality might be organized around two areas: "rural hamlets" and "those areas outside the hamlets." Then, for each area the various land-use activities would

be reviewed. This approach was used in the Municipalities of Kings County, Yarmouth and Barrington. In a Town, a Strategy might be combined with the second approach, singling out the Town Centre area and the Rural Fringe area for detailed treatment. Again each would be discussed with respect to the various land-use components.

4.4 Planning Process Approach

It may be desirable to organize the Strategy in such a way as to reflect the planning process. This can vary from the traditional process of survey, analysis and plan to the rational decision-making approach. Basically the latter consist of the following steps: (a) the decision to adopt a plan, (b) goal formulation and identification of objectives, (c) generation of possible alternative courses of action, (d) evaluation of alternatives and (e) implementation (including policy formulation) and monitoring.

1. Introduction/Preamble
2. Background Setting (data collection & analysis)
3. Identification of Problems or Issues and Opportunities
4. Goals and Objectives
5. Policies
6. Implementation and Monitoring

4.5 Issues Approach

Still, another approach is to organize the Strategy around the major planning issues. This approach might be used in a Strategy that is being adopted to deal with one or two planning issues. In such a case there should be enough background to explain why the Strategy is needed and why it is so specific. Examples of such issues are the location of fish reduction plants and fox and mink farms and the protection of heritage buildings, agricultural lands and drinking water supply watershed areas. (See also Section 3.1.1 of this *Guideline*.)

5. Strategy s Specific Content

5.1 A preamble

Ensure the legal status of the Strategy is fully understood.

It is suggested that a Strategy begin by explaining the purpose and role of the document. This should include such basic statements as: "the Strategy is a legal document, a policy document and a framework for development, and where land and development issues are dealt within a Strategy, they shall be implemented by the Land-use By-law."

Reference should be made to the authority under which the Strategy is being prepared (the *Act*). There should also be reference to the location of the area covered by the Strategy (e.g., a map). This is particularly important if only a portion of a municipality is being covered.

Finally, the *Act* requires public participation during the preparation of a Strategy. It is recommended that the public participation process together with the overall planning process used to prepare the Strategy be acknowledged and briefly outlined.

5.2 Background

The background information should provide the rationale for the policies.

Each municipality is unique; consequently, policies should reflect the local situation. In order to understand the purpose and suitability of the policies, background information on the municipality is often provided. This can include such things as the physical demographic and historical trends, development trends, level and extent of municipal services, characteristics of the community, identification of the major planning issues in the community, and in some cases, the county or regional setting within which a municipality falls. This information may be outlined in greater detail in separate background studies, but the Strategy should include sufficient information from these studies to support the policy statements.

If the context, scale and level of activities in a municipality are not established in a Strategy, it is difficult to understand the appropriateness of the policies; and to evaluate their effectiveness.

5.3 Policies

The policies should be clear, understandable and defensible.

Policies should be clear and understandable. In addition, the Strategy should contain sufficient text to justify and support the policies. To make the Strategy easier to follow and understand, the policies should be grouped (e.g., from general to specific) and set off from the rest of the text. They should be numbered and indented or in italics or otherwise differentiated from the general text of the Strategy.

Policies should be internally consistent and not in conflict with other policies in the Strategy or extend beyond a municipality's jurisdictional authority. Policies in which Council can only exert indirect influence should be differentiated from those over which Council has direct control. In the case of the former, the policy should identify the body which has the authority. For example:

> It shall be the intention of Council to discuss with the Department of Community Services and request that additional moderate income housing units be developed in the Town.

Given that a Strategy is a municipal by-law, policies should appear as legally interpretable statements. Over time these policies may be interpreted in appeals before the Nova Scotia Utility and Review Board or even the costs. Therefore, policies should be clear and precise. If they are difficult to understand, they may well be interpreted differently than Council intended. In addition, they may be difficult for Council to apply.

Policies should strike the right balance between generality and being too specific.

At the same time, Councils' flexibility is reduced when policies in a Strategy are too specific, for example, when they actually spell out standards. In such instances, any change in the standard will require a Strategy amendment. Council may, then, find itself amending the Strategy for minor changes rather than for fundamental shifts in policy. Therefore, specific policies such as "each lot shall be a minimum of one acre" should be avoided except where Council explicitly wants to be very rigid. On the other hand, very general policies such as "Council shall provide for the well being of all citizens" should also be avoided excepting as general goals, because they give Council little decision making direction.

5.3.1 Terminology

The terms used in policies should be consistent with the terms used in the By-law. For example the term "light industry" should be used or described in policies in a manner consistent with the definition of "light industry" given in the land-use by-law. Other terms that are often used inconsistently are "institutional uses" and "low density residential," "medium density residential," and "high density residential."

In writing policies, choose your words carefully.

The wording of policies should reflect an awareness of subtle differences in the meanings of words used. One example is "support" versus "encourage," where the former means a financial commitment by the Council.

Usually policies that deal with the expenditure of money are written as intentions, not as mandatory prescriptions or regulations so that Council is not committed to the action if the budget does not provide for it. In this context, the word "shall" indicates something is mandatory while the use of the word "may" does not. Accordingly, it is better to use the phrase, "it shall be the intention of Council to acquire land for a play field next to the elementary school" than to say "Council shall acquire land for a play field....". In general, it is recommended that all policies employ the former approach and begin with "It shall be intention of Council....".

5.3.2 Future Land-use Designations and Zones

How do you want the municipality to develop over time?

A Strategy should contain policies describing all the desired future land-use designations and the range of uses that will be permitted in each designation. The areas where these designations will be applied should also be described. The land-use designations must be illustrated on a map. The latter is called the Generalized Future Land-use Map or the Future Land-use Map. (See also Section 7.2.1 of this *Guideline*) The policies should outline the zones that will be established in the By-law and the general range of permitted uses that will be allowed as-of-right within each zone. In essence, when establishing the future land-use designations, policies should indicate how all the lands within these designations will be zoned.

5.3.3 Permitted Uses

Provide a degree of flexibility in the policies, or an Strategy amendment will be required with every change to the permitted uses.

Policies outlining the range of permitted uses for the various future land-use designations and the land-use zones should provide a degree of flexibility. This can be achieved by using phrases such as "uses similar to but not excluding" or "uses such as." Employing these phrases would enable a municipality to add some types of permitted uses to the list set out in the By-law without a Strategy amendment. For example, if the policy describing the uses that would be permitted as-of-right in the R-2 zone has some built-in flexibility, it may be possible at a later date to amend the By-law to add "day nurseries" to the list without a Strategy amendment.

5.3.4 Implementation Techniques

How do you plan to implement your land-use policies?

Forethought must be given to how a land-use policy will be implemented. Will it require another future land-use designation, another land-use zone, the establishment of special provisions within a zone, a site-plan or a development agreement? It is necessary to have policies to establish these implementation mechanisms in the Strategy.

For example, there might be a policy to limit development on lands designated environmentally sensitive (e.g., an area with an excessive slope or an area of known flooding). By itself such a policy means very little. To make this policy operative, additional policies might indicate Council's intention:

- to create a conservation zone in the by-law with a limited range of permitted uses and then zone the environmentally sensitive areas conservation;
- to allow certain types of development in these areas only by re-zoning; and
- to establish specific criteria to be used by Council when evaluating these re-zoning requests.

Then, the measures, such as the creation of the conservation zone and zoning the hazardous lands for conservation must be carried out in the By-law.

The Strategy is a policy document which indicates the rationale and provides the support for the regulating provisions contained in the By-law. This is in accordance with Section 219 of the *Act* which

requires that a By-law only be adopted to carry out the policies delineated in the Strategy.

5.4 Implementation Section

The implementation section or chapter is one of the most important components of a Strategy because it describes in one place how the Strategy's policies, in general, will be put into effect. Accordingly, it should be complete, precise, and well organized. Frequently, this section consists purely of policy statements. An effort should be made to explain these policies, particularly when they are quite technical.

While the Department recommends the inclusion of a special section or chapter on general implementation of the Municipal Planning Strategy, it is recognized that a Strategy may be organized with specific implementation policies contained within the various other sections or chapters of the Strategy.

The following items are recommended for inclusion in an implementation section.

What should be included in the Implementation Section of the Strategy?

1. Land-Use By-law
   - indicating what it does and how it relates to the Strategy
   - list of all proposed land-use zones to be established
   - describe the types of By-law amendments (text amendments and map amendments)
   - describe the types of development which will be permitted only by amendment (e.g., shopping centres which require a rezoning to a shopping centre zone.)

2. General Criteria for Evaluating Amendments to the Land-Use By-law (e.g., re-zoning) such as:
   - impact upon municipal services
   - cost/revenue implications
   - impact upon schools and other community facilities and adjacent uses
   - development form
   - natural site development potential
   - traffic generation (with respect to increase in volume and location of exits and accesses)

- general land-use compatibility

It should be noted that criteria for amending the land-use by-law may often be more specific than this, especially where they relate to developments such as shopping centres, or amendments in environmental constraint areas. For example, another criterion for shopping centres might be the distance from residential areas and schools.

In such cases, the more specific criteria will, normally, be incorporated into specific policies in the section in the Strategy that deals with that subject.

The purpose of the list above is to cover areas that might have been missed within the Strategy, and to minimize the repetition which would occur if all criteria were listed for every land-use type.

3. Development Agreements and Criteria for Evaluating Development Agreement Proposals.
   - explanation of an agreement
   - a summary of developments to be handled by development agreements under Section 225(2) of the *Act* (e.g., "Shopping centres" in areas designated commercial (See Policy "XX").)
   - if the developments to be considered have not previously been discussed in detail - sufficient policies should be included here to clearly indicate the types of development and the criteria Council shall have regard to when evaluating a proposal
   - list items that may be included in an agreement (this is not a mandatory requirement, but only a suggestion)
   - provide a summary of general criteria to have regard to when evaluating all or certain types of development agreement proposals, such as:
     - adequacy of municipal services (this is a criterion for evaluating a proposal; the actual agreement, however, cannot require municipal services)
     - cost/revenue implications
     - environmental impact (as criterion for evaluating a proposal; the agreement, itself, cannot include items concerning issues that there is no legal authority for their inclusion, such as air pollution)

- impact upon schools and other community facilities and adjacent uses
- development form
- traffic generation (with respect to increase in volume and location of exits and accesses, traffic flows and parking areas)
- general land-use compatibility
- hours of operation for the proposed use
- proposed buffering and landscaping

4. Site-plan Approval describes such topics as:
   - uses subject to site-plan criteria
   - areas under site-plan control
   - matter subject to site-plan control

5. General Flexibility Clause (See Section 6.4 of this Guideline).

6. Subdivision Controls
   - describe briefly the basic controls and their purpose
   - list the items which are varied or waived with respect to the Provincial Subdivision Regulations
   - summarize the items enabled as a result of supporting policy (eg. 10% open space dedication and infrastructure charges)

7. Other Municipal By-laws Relevant to the Strategy.

   For example, by-laws such as those dealing with minimum maintenance standards, manufactured housing parks and heritage districts should be referenced in this section.

8. Capital Improvement Program
   - may include a brief discussion of the relationship between the Strategy and the capital work program
   - may also include a concise listing (e.g., of applicable policies) of capital projects identified in the Strategy and a summary of Council's general capital expenditure priorities

9. Guidance for Variances

   - describe briefly the variance process
   - list any additional items that may be addressed due to

supporting policy in the Strategy (Sections 235(2) and 242(1) of the *Act*

10. Non-conforming Uses and Structures
    - indicate whether or not the *Act* provisions (Sections 238, 239, 240 and 241) are to apply or whether policies are to be adopted pursuant to Section 242 of the *Act* which allows for some relaxation of the *Act's* provisions.

Note: The Act (Section 239) sets out specific provisions with respect to nonconforming structure for residential use. This provision addresses the situation found across the province primarily in older residential neighbourhoods where dwellings pre-date the existing planning regulations. In many instances if an older dwelling is destroyed by fire the owner could rebuild only if the new dwelling conforms to the existing zoning provisions. But, these existing requirements set out a building envelope that is substantial different from the former dwelling and which is not compatible with the existing neighbourhood. Similarly the zoning requirements often restrict or limit renovations or repairs to these dwellings including such things as new front porch steps. Many By-laws deal with this problem through a general zoning provision worded similarily to Section 239 of the Act.

11. Development Officer
    - description of duties and statutory authority

12. Strategy Amendments
    - for such issues as:
        - changing the Generalized Future Land-use Map;
        - bringing a Strategy into line with Provincial Statements of Interest;
        - changing policy direction; and
        - as a result of further studies outlined in the Strategy (an example of this would be if in preparing and adopting a Secondary Strategy, modifications to policies in the overall Strategy are required.)
    - describe the amendment process including public participation required by the *Act*.

(Note: these might be discussed in the text only rather than formulated as policies because the amendment process is regulated by the Act.)

13. Strategy Review

- The *Act* (Section 214(2)) requires that there should be "policies in the municipal planning strategy on how it intends to review the municipal planning strategy and Land-Use By-law."

14. Ongoing Planning

The ongoing planning process is seldom given more than a passing acknowledgement in Strategies but it is important. Planning does not stop between the time a Strategy is adopted and a review is required. However, the monitoring process is more administrative in nature, therefore, it may be practical to make these policies more general.

- policies for future secondary planning Strategies
- public information and education programs
- integration of capital budgeting and the Strategy
- role of the Planning Advisory Committee (PAC)
- monitoring process

15. Recovery of Expenses for Amendments to the Land-use By-laws and for variances, site-plans and Development Agreements (*Act* Section 220(4)(1), 221(2), 232(4) and 237(3))

A municipality may establish a fee to cover:

- the cost of advertising (for Land-Use By-law amendments and Development Agreements) and should the advertising cost more than the established fee, then the applicant may be billed for the difference, or if it is less, the difference shall be refunded
- the cost of notifying adjacent land owners
- the cost of posting a sign
- the administrative processing costs

6. Strategies and By-laws - Their Interrelationship

6.1 General

The Strategy provides the future vision for the municipality, the By-law provides the tools to achieve it.

A By-law is the principal mechanism for implementing the land-use policies in the Strategy. It is similar to the Strategy in that it becomes a law of the municipality adopted by Council and subsequently reviewed by the Department in conjunction with the Strategy.

This by-law sets out such things as:

- the land-use zones (including a comprehensive development district)
- permitted uses for these zones
- standards for development
- performance standards
- developments to be considered by development agreement
- developments to be considered by site-plan approval process
- future transportation reserves

It also includes sections on definitions, signs, administration, interpretation and general provisions for all zones. The By-law also includes a map dividing the municipality into use districts or zones as set out in the text of the By-law. The by-law provisions, however, cannot be made retroactive, that is, they cannot affect existing buildings or uses.

The Land-Use By-law can only be adopted or amended to carry out the intent of the Strategy. (See *Act* Section 219(3)). If a Strategy does not have policies respecting a matter contained in the land-use by-law, that portion of the by-law may be held to be invalid. For example, a By-law may contain a provision that neighbourhood convenience stores not exceed 1,500 square feet of commercial floor space in area. If, however, there is no supporting policy in the Strategy for limiting the size of neighbourhood convenience stores, the provision, if challenged, may be declared invalid. If the intent of a land-use policy is not carried into the implementation of By-law, it lacks enforceability. For example, the Strategy must identify those developments which will be permitted only by a development agreement. To become operative, these policies must be carried

forward into the By-law.

In addition Section 220(5) of the Act identifies by-law provisions that require supporting policies. Included are provisions to control such things as access, outdoor storage, location of disposal sites, the alteration of land levels and top soil removal.

Normally, most By-law provisions will be covered by the more general policies in the Strategy. It is, however, useful to set out in detail in the Strategy the rationale for the provisions to be established in the Land-Use By-law, but only to the extent that the Strategy does not go so far as to set the standards themselves. If the detailed standards are incorporated into the Strategy, then it must be remembered that any change in these standards will require a Strategy amendment rather than a By-law amendment. The former is a longer process. Finally, by clearly indicating the rationale for provisions such as yard requirements, the Strategy will serve as a guide to both the development officer and Council in judging minor variances.

6.2 Land-Use By-law

The Model Land-Use By-law outlines some suggestions for format and content for by-laws (see Part V, Section 5.3 of the Local Government Resource Handbook). However, depending on the nature of the municipality (e.g. fishing and agricultural communities, or urban communities) not all suggestions will be appropriate for all communities (particularly with respect to the range of zones; the mix of uses permitted within zones; and development standards, such as: sign provisions, parking standards and minimum lot size requirements).

Above all, it is important that the municipality adopt its *own* standards, zones and permitted uses in accordance with the policies in its Strategy and the local context.

What do you need to know to formulate a By-law?

In preparing a By-law, the following listed types of information are often gathered. *Note: Some of the information may not be required for all areas.*

The type of detailed information which may be required for the land-use by-law and zoning map include the following:

- Existing land-use
- Property mapping and/or ownership information to use as a basis for estimating lot sizes and frontages and determining zone boundaries
- Building characteristics
  - height, bulk, densities
  - setback, yards and coverage
  - sign characteristics
- Municipal boundaries
- Extent of sewer and water services
- Transportation/Road Network (Existing and Proposed)
- Utilities easements
- Potential incompatible land-uses and features
- Natural constraints and potentials
  - vistas, views
  - municipal drinking water supply areas
  - steep slopes, marshes and swamps and flood plains
  - wildlife areas
  - unique forests or vegetation
- Problems which might be overcome by zoning
  - optimum use of services
  - sign problems
  - parking and driveway locations
  - strip development
- Development pressures
  - large land ownerships and assemblies
  - current or proposed public projects
  - current re-zoning and subdivision applications
  - developable land
- Adequacy of existing controls
- Special treatment areas (for example)
  - historic buildings
  - downtown cores
  - resource based villages (fishing, farming, etc.)
  - hazard lands

The definition section ensures that everyone has the same understanding of the word or term as it is used in the By-law.

6.3 Definitions

The definition part of a By-law is usually quite long and often it is not given as much consideration as the other parts of the By-law. Its importance should not be overlooked.

Thought should be given to the definitions included in the By-law. These definitions should reflect the meaning of the term as they are used in the Strategy. Moreover, if a term is not used in the By-law or the Strategy, then perhaps, there is no need for its inclusion. Furthermore, if it is the commonly accepted definition of a word or term found in a dictionary, then there may be no need for its inclusion. A definition can always be added to a by-law by amendment if necessary.

Frequently, definitions used in a By-law for one municipality are incorporated into a By-law for another. This may cause some future problems particularly if the two communities are not alike. For example, in a rural municipality, it may be acceptable to use a very broad definition of home occupations but such a definition would not be acceptable in a large Town. Also, in rural municipalities the definition of commercial and industrial activities may not need to be rigidly defined as they would be for a Regional Municipality or Town.

Providing flexibility along the boundaries of the Generalized Future Land-Use Map can minimize future Strategy amendments.

6.4 General Flexibility Clause

The Generalized Future Land-Use Map in the Strategy shows the desired future land-uses.

Generally, however, it is not possible to anticipate precise boundaries between various land-use types. Therefore, in many areas the Strategy accommodates amendments to the Land-Use By-law (zoning map amendments) one way or the other without the Strategy itself being amended. This is accomplished by including a policy in the Implementation Section of the Strategy which is usually referred to as "the general flexibility clause." The policy might read as follows:

> It shall be the intention of Council to consider a request for a Land-Use By-law amendment to zone any area immediately adjacent to a given future land-use designation on the Generalized Future Land-Use

Map to a zone permitted in the adjacent designation without requiring a Strategy amendment, provided that all policies of the Strategy are satisfied.

Where such flexibility is not desirable, (e.g., in areas of serious land-use conflicts or where natural boundaries exist such as major streets or railway lines) a fixed boundary may be preferred. In such situations the specific exceptions should be clearly described in policy and shown on the Future Land-Use Map as not being subject to the "boundary flexibility clause." (See also Section 7.2.1 of this *Guideline*).

6.5 Land-Use By-law Amendments

By-Law amendments are either text or zoning map amendments.

There are two types of By-law amendments, text and map amendments. These types of amendments can be undertaken without Strategy amendments providing there is supporting policy. Text amendments involve such things as changes to the lot size requirements in a zone, changes to a definition or adding a use to the list of permitted uses in a zone provided they are enabled by policy in the Strategy. Map amendments are the most frequent and involve what is generally known as "re-zoning," that is, a change to the Zoning Map. It is the latter, map amendments, that are addressed in this section.

The Strategy must provide guidance through policy for amending the Land-Use By-law. It should indicate that amendments to the Land-Use By-law are a normal procedure in the process of land development.

In addition, the Strategy must set out the criteria that should be used by Council in evaluating a By-law amendment request. The Implementation portion of a Strategy usually includes a policy setting out the general criteria Council shall have regard to when evaluating By-law amendments. When refusing an amendment, Council is required to give reasons for doing so based on the policies in the Strategy.

By-law amendments may also be required to implement a Strategy amendment. In such cases, there is no appeal to the Utility and Review Board.

A Development Agreement provides the development requirements for a specific site.

6.6 Development Agreements

A development agreement is a legal agreement between a Council and a property owner. It runs with the land and is in force until discharged by council. It is a development control tool that overrides the existing zoning provisions.

When a municipality decides to consider certain types of development proposals by development agreement, its Strategy must identify these developments in policy together with the criteria Council will use to evaluate such proposals. In addition, the Land-Use By-law must include a part that identifies those developments that will be considered by development agreements and in what areas they may be located. (See Section 225 of the *Act*.)

6.7 Site-plans

A review of the process involved in site-plans is provided in the *Municipal Government Act Resource Binder*, Interpretation Bulliten #38.

6.8 Metric Conversions

Wherever possible, metric standards should be developed by "hard" conversion (e.g., 60 foot frontage = 18.29 metres but the new standard could be 18.0 metres, or some other suitable round figure with the precise imperial equivalent following in brackets (59.06 feet).

7. Strategy and By-law Maps and Graphics

7.1 General

For ease of use, attempt to keep the Strategy and By-law as self-contained documents.

All maps should be at a scale that allows for easy interpretation but also results in a manageable map. It is suggested where feasible that maps should be bound into the planning documents, with the exception of the Existing Land-Use Map, the Generalized Future Land-Use Map and the Zoning Map. These maps are often at a larger scale and may be amended from time to time. They may be used for display purposes; consequently, they should not be bound into the documents and should preferably be placed in envelopes

which are bound into the documents.

In rural municipalities it is likely that maps will be prepared at a 1:50,000 scale; however, 1:10, 000 scale mapping is usually employed for detailed planning of small communities within these municipalities. If this is the case, it is important that the community boundaries be clearly illustrated on both the large scale maps and on the overall base map.

All maps should include a title (and map number if applicable), a date, a legend, a north point and the scale and preferably a bar scale which will remain accurate when reduced.

7.2 Municipal Planning Strategy Maps

The Strategy, when setting policy for the control of land-uses, should contain a map that shows the desired future land-uses for the municipality. This map is usually called "The Future Land-Use Map" or "The Generalized Future Land-Use Map."

Other maps should be used in the Strategy where appropriate to convey basic information and to explain policies. Three such instances where maps are appropriate to convey information are existing land-uses, existing and future services (roads, sewer and water) and development constraints.

In addition to the required maps, other maps, photographs, charts and line drawings should be included wherever it is useful to clarify or illustrate information or policies. Examples include regional context maps, parks and open space proposals, road and street maps (showing arterials, collectors, local streets, traffic problem areas and any proposed streets), and community facilities.

7.2.1 Generalized Future Land-Use Map

This map reflects the Strategy's policies, guides the zoning in the Land-Use By-law and should be at a scale which can be readily interpreted. It should be at the same scale as the Zoning Map to facilitate comparison.

Designations on them Generalized Future Land-Use Map should concentrate on future intended land-uses, not the existing uses (although in many situations they may be the same). Designations should be drawn as generalized areas. Most boundaries will be flexible and this should be clearly reflected in the graphic style. Conversely, the map should clearly identify any boundaries that are meant to be rigid. The latter require supporting policies. (See also Section 6.4 of this *Guideline*.)

7.2.2 Existing Land-Use Map

This map can be used to convey a great deal of information about such matters as land-use conflicts and development capacity. It should be as up-to-date as possible and in as much detail as possible given the constraints of scale and black and white reproductions. Major street names should be shown and possibly major land marks, problem areas or planning issue areas. The street names should also appear on the Future Land-Use and Zoning Maps and they should be legible.

7.2.3 Services Map

A services map should show the existing sewer and water lines in the municipality, the potential serviceable area (if applicable), the pipe sizes and any planned future extensions to these services. This information visually helps to explain the rationale of zoning provisions and future development policies besides providing basic public information.

7.2.4 Development Constraints Map

Not all Strategies include this map. It should be used to graphically show the rationale for policies that designate land conservation or environmentally hazardous areas. For example, it might show areas of subsidence, flooding and steep slopes.

7.3 Land-Use By-law - Zoning Maps

A map or maps showing the land-use zones must be included as part of the Land-Use By-law. The zoning maps will constitute Schedules

to the Land-Use By-law. They should be at a fairly large scale (eg 1:2,000,1:5,000,1:10.000). Boundaries on the map should be based upon easily definable limits such as property lines, watercourses or roads. These boundaries are intended to be specific; therefore, they should be
accurate enough to enable distances to be scaled. There should be a set of rules regarding interpretation of zone boundaries as part of the By-law (refer to Model Land-Use By-law, "interpretations" Section).

Zoning maps tend to be much more complicated than Generalized Future Land-Use Maps. If tones or patterns are used, it becomes difficult to distinguish between the various patterns if more than four are used. Therefore, to make it easier to read, it is suggested that the zone codes (e.g., R1, C1) be used. Where areas are very small, the zoning can be indicated by arrows.

The Zoning Map must be based upon the Generalized Future Land-Use Map, although they will differ in certain ways. For example, Future Land-Use Map designations may be quite general while zones on the Zoning Map will be very specific. Where map discrepancies exist (such as in certain future land-use designated areas where existing uses are zoned according to their use but the area is designated for another type of development in the long term) they should be explained in the Strategy. Similarly, where a future land-use designation permits a number of different zones, the range of possible zones should be identified in the text and policies of the Strategy.

Section 5.3

Development Control Techniques

1. Introduction

This is a "how to" document describing the basic development control techniques that can be used in a Land-Use By-law (By-law) in Nova Scotia. This includes zoning, development agreements, comprehensive developments districts (CDDs), site-plan approval and performance standards. These represent the basic planning tools enabled under the *Municipal Government Act* (*Act*).

The type of control to use is largely determined by the nature of your municipality.

A Municipal Planning Strategy (Strategy) should address the land-use issues in the community and indicate how these will be resolved. The development control techniques used to implement the policies in a Strategy should fit the municipality. For example, it may not be appropriate to incorporate a number of development agreement provisions in a Strategy when zoning provisions can achieve the desired results. This is particularly true if a municipality is adopting a Strategy for the first time. Similarly, is it necessary to create twelve land-use zones for a town of 1200 people? In essence, the Strategy should attempt to resolve the planning issues but not over-address them.

The approaches described and examples cited in this document are not the only methods but they are presented as illustrations to guide the reader.

2. Zoning

Land-Use (Zoning) By-laws establish the Land-Use zones which are set out in the Strategy with a number of permitted land-uses in each zone (some zones list the uses that are prohibited rather than the permitted uses). They also include provisions governing such things as building height, setbacks, yard sizes, lot sizes, lot frontage, site-plan approval criteria and items that may be addressed in site-planning and other development standards for the respective zones established. Such by-laws are accompanied by Zoning Maps which graphically show how the lands within the municipality are zoned.

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There are a number of basic zoning techniques that can be employed which are outlined below. These techniques require supporting policies in the Strategy.

2.1 Pre-zoning

Pre-zoning for desirable future uses.

Pre-zoning is the zoning of land such that the predominant existing use of the land is not consistent with the zone placed on the land. It is zoning land for some future use, and in most instances this involves the zoning of vacant land. This is a way of directing certain types of development to certain lands. Examples of pre-zoning are the zoning of vacant land for commercial or industrial use or zoning an urban transitional area for commercial use despite the fact, for example, that a portion of the area may be in residential use.

In built-up communities, this approach may not always be appropriate. For example, it could result in a number of non-conforming uses or the zone placed on the land may be too rigid and limit the range of developments that could be considered by Council. More flexibility may be achieved by using different planning tools. In larger communities where more development is occurring, it may be appropriate to pre-zone land for such things as industrial parks, multiple unit housing and institutional uses.

One advantage of pre-zoning is that all developers, citizens, landowners and council know in advance where certain types of development are going. If carried out in a flexible style, with a range of permitted uses, it will reduce the need for Strategy and by-law amendments and development agreements.

2.2 Cumulative Zoning

Cumulative Zoning is based on the intensity and diversity of uses.

Another zoning approach that has been employed extensively in the past and used less frequently today is cumulative or stacked zoning. This approach permits an increasing range of uses in zones through the progression from residential to industrial. That is, a commercial zone would permit, for example, R-l, R-2, and R-3 uses as-of-right as well as commercial uses or an industrial zone would allow R-1, R-2, R-3, C-1, C2, or C-3 uses as-of-right as well as industrial uses. (The term "as-of-right" means that the use is permitted and a development permit must be issued if it meets all the other zone requirements).

In many instances, uses may be mutually incompatible (heavy industrial and new residential or commercial uses, for example), which suggests the need for mutually exclusive zones. Consequently, this technique is not often used by municipal planners, except in areas where a variety of different land-uses within an area reflect traditional accepted patterns of land development.

In many areas stacking of permitted uses may create problems. For example, is it desirable to allow new single unit residential development in areas that are zoned and designated for general commercial use? If this is done, in the long term the Strategy may be creating new land-use conflicts rather than trying to minimize existing ones. If in the former example, the intent is to allow only existing single unit dwelling (R-1) uses in an area zoned Commercial General (C-l), there are other and better ways of dealing with this situation. At the same time there are instances where a mixture of uses is what is desired (i.e. residential and commercial uses in a downtown to create a vibrant downtown). This may be done be stacked zoning. Alternatively the C-1 zone could state that residential uses are permitted but only on the second floor or at the rear of the commercial uses. (See Section 2.4 of this *Guideline*.) If it is to only allow residential uses above or at the rear of a business, then this also can be accomplished by specifying in the zone's list of permitted uses that Residential Dwellings are permitted above or at the rear of C-1 permitted uses.

2.3 Zoning With Special Provisions

Zoning with special provisions provides control for uses with unique requirements to maintain compatability.

When using this approach, a use is permitted as-of-right in a zone but subject to special provisions. For example, there are often special provisions (or development standards) in the By-law for guest homes within an R-1 (Residential) zone such as "no exterior alterations and no parking in front or side yards." Other special provisions may include: height restrictions, buffering (e.g. opaque fence), parking and outdoor storage, retention of trees, incentive or bonus zoning. These special provisions require supporting policies in the Strategy. Often in rural communities, a special provision in residential zones allows the outdoor storage of fishing gear or agricultural equipment in the side and rear yards. This is in recognition of an historically accepted "way of life" in Nova Scotia.

Zoning with listed uses minimizes non-conformity and limits specific uses to specific sites or areas of the municipality.

2.4 Zoning With Listed (Scheduled) Uses

A common issue, particularly in areas that have never had planning, is that a less than desirable mixture of uses may be present. One way of addressing this, without creating a number of non-conforming uses, is zoning with listed uses. This is a technique by which certain existing uses, for example, apartment buildings or certain commercial or industrial uses are specifically listed as uses permitted in a particular zone. For example, the list of permitted uses in the By-law for a zone might include the use: "Existing Apartment Building (As Listed in Schedule ____ of this By-law)." The attached Schedule would then list these existing apartment buildings by civic address and the list would also include the number of dwelling units in each building. This approach can be used to eliminate the number of non-conforming uses within a zone, the number of spot zoned parcels or it might even be used to eliminate the need for a separate zone for some of these uses.

The advantage is that the listed uses are conforming uses and permitted as-of-right and as such they can expand on their lot in accordance with the other zone requirements such as minimum rear and side yard requirements, unless some restrictions on expansion are placed on the use. This method is applicable in situations where Council does not wish to make long-standing uses non-conforming, since the long-term intention behind creating non-conforming uses is that they should cease to exist in that location.

As an example, there are several planning options available to a Council when dealing with a low density residential area in which there are several existing apartment buildings.

1. Zone the whole neighbourhood for single detached dwellings (e.g. R-1) which will make the apartment buildings non-conforming uses.

2. Zone the area containing the apartment buildings for multiple unit use (e.g. R-3) and the rest of the neighbourhood R-1. In this situation the R-3 zoning may allow not only more dwelling units on the property than are already there, but it may also allow additional uses that may not be desirable, such as commercial uses on the ground floor. On the other hand, the buildings are permitted as-of-right and capable of expanding on the lot in accordance with the R-3 zone requirements.

3. Zone the whole neighbourhood R-1 but include in the R-1 list of permitted uses "existing apartment buildings." These existing uses must then be listed in a schedule to the By-law by civic address, PID number, and the type of use. In this instance, unless special provisions (enabled by policy) are included in the R-1 zone, provisions such as "Existing apartment buildings may expand on their lot in accordance with the R-3 zone lot requirements," the listed building could not expand on its lot except in compliance with the R-1 lot requirements. Furthermore, the use of the property could only be changed as of-right to another R-1 permitted use. Also, if the apartment building happens to be destroyed, a permit could be issued to rebuild to the extent to which it existed prior to destruction.

2.5 Floating Zones

Floating zones permits Council to consider uses where land has not been zoned for that use. This minimizes the need to constantly amend the Strategy.

In this instance, a zone is established in the Bylaw at the time of the adoption of the Strategy and By-law but no land within the municipality is placed in that respective zone category. This technique is frequently applied to such uses as salvage yards and manufactured housing parks. For example, a Strategy could create a salvage yard (I-4) zone which includes a number of special conditions with respect to siting and landscaping. In this instance, the municipality created the new zone but no land within the municipality was zoned for salvage yards. In the future, when someone wants to establish a new salvage yard or expand an existing one, it will be necessary to apply for a By-law (map) amendment.

Another example is the creation of a manufactured housing park zone in a municipality where there are no existing mobile home parks and no lands are zoned for this use. This eliminates the need for a Strategy amendment when a development proposal for a park is received. The proposal is processed as a By-law (map) amendment.

A Strategy may specify specific criteria to be considered in evaluating these By-law (map) amendment requests. These criteria would only apply to this type of By-law amendment. Examples of such criteria, in the case of a re-zoning for a salvage yard are a certain minimum lot size, public road frontage and distance from

residential uses.

Note: In some cases, a municipality may choose to use development agreements, performance standards or special provisions within a zone to implement a policy to allow such uses as salvage yards and heavy industrial uses.

2.6 Other Techniques

There are other tools that are available through the MGA, for example:

- bonus or incentive zoning (see Information Bulletin # 27 in the MGA Resource Binder);
- dual zoning which is sometimes used where an underlying environmental constraint zone such as a flood plan is used in conjunction with other zones; and
- holding zones where the provision of municipal water and sewer service would be premature.

3. By-law (Zoning Amendments)

Limited zoning for more intensive uses encourages their control through the re-zoning process.

It may be desirable to use the By-law (zoning map) amendment process as a development control technique. This would involve policies setting out the requirement that By-law amendments (re-zonings) are required for developments such as apartment buildings, shopping centres, industrial parks, schools, fire halls or manufactured housing parks. If some of these uses are already existing, they are zoned according to their use but there is no pre-zoning of lands for such uses. This means that any new proposal for such a use must be handled by an amendment to the By-law (zoning map).

As an example, policies pertaining to multiple unit residential development might be worded as follows:

Policy 1 It shall be the intention of Council in the By-law to zone existing multiple family dwellings R-3 (Multiple Unit).

Policy 2 It shall be the intention of Council to permit the development of new multiple unit dwellings in the

Residential designated areas on the Future Land-use Map only by amendment to the by-law. Such amendments are to be evaluated according to the following criteria:

(a) That the development will not involve a building whose height exceeds the Town's fire fighting capability;

(b) That the development is within ____ metres (e.g. walking distance defined by a specified distance) of the downtown area as defined on the Generalized Future Land Use Map;

(c) That the development is served by municipal sewer and water services and that it will not strain the capacities of those services when judged in relation to the requirements of other permitted uses to be served by these facilities;

(d) That the development is within ____ metres (walking distance) of recreational areas, schools, churches and other community facilities;

(e) That there is sufficient land for the development to meet the open space provisions of the appropriate zone; and

(f) That the development has direct access to a collector road as shown on Map 1 (Transportation Map).

In the rural context the Strategy might contain a certain degree of flexibility by allowing a wider range of uses in a designated area than might be found in a built-up area. For example, policy might allow salvage yards and industrial uses in a rural area or non-resource uses in resource areas by an amendment to the By-law subject to certain conditions. The following policy illustrates this concept.

Policy It shall be the intention of Council to allow the development of salvage yards (but such use shall not include a smelter or any type of chemical treatment or rendering that produces noxious wastes) and

industrial uses in the areas designated Rural on the Generalized Future Land Use Map by amendment to the By-law provided:

a) That all applicable criteria of Implementation Policy "X" (the general policy outlining the criteria Council shall have regard to when considering a By-law amendment) have been taken into consideration;

(b) That the proposed development and the proposed zone do not infringe on adjacent residential, institutional or recreational areas and the proposed development is not incompatible by reason of noise, traffic generated, or odour;

(c) That the development fronts on a public street.

Similarly, this approach can be used in an urban area, for example, to control the rate of change occurring in an Urban Transitional area which contains a mixture of residential and commercial uses. In this instance, the Urban Transitional area may have been given a General Commercial future land-use designation but Council wishes to retain a certain degree of control over the transition to commercial use. One way Council may achieve this is outlined in the following policy.

Policy It shall be the intention of Council to zone the uses in the Urban Transitional area according to their existing use and to consider requests to zone properties Commercial (C-1) in this area by amendment to the By-law subject to:

(a) Implementation Policy "X" (General policy outlining the criteria Council shall have regard to when considering a re-zoning request); and

(b) Additional criteria may be specified if so desired, such as: The proposed development is immediately adjacent to a property already zoned for commercial use.

Although re-zonings are a legitimate planning tool, care must be taken that some areas are pre-zoned so that every use outside of the basic residential uses do not have to go through the re-zoning process. Good "upfront" planning should be done to reduce the need for a larger number of amendments.

4. Development Agreements

A Development Agreement can be used for site specific developments.

A development agreement is a legal agreement between a Council and a property owner. It is an instrument through which a Council can consider a proposal that would not otherwise be allowed because the proposed development is not a permitted use in the zone placed on the land or it cannot meet the requirements of the zone. A development agreement restricts the developer to the use or types of uses actually proposed or outlined in the development agreement. In addition it allows Council to exercise more specific control over not only the type of use or uses but over the character and form of the development. The development agreement runs with the land, that is, the conditions do not cease if the land is sold or if the property owner dies. To re-establish the existing zoning, the Council must first discharge the development agreement.

Appendix 5.3a provides examples of draft development agreements.

4.1 *Municipal Government Act* Requirements

The *Act* is quite specific about the requirements for a development agreement (D.A.) and what must be done in order to use it. The *Act* specifies what must be included in the Strategy and By-law, namely, the types of development, evaluation criteria, the area or areas where the developments may be located and items that may be included in a development agreement. Each of these is addressed in the subsections to follow. (See also Section 225 and 227 of the *Act*.)

4.1.1 Types Of Development

A D.A. requires policy support.

The *Act* (Section 225(1)) specifies that a Strategy's policies must indicate the types of development a municipality will consider by development agreement. This identification can be specific in nature, for example, the use of agreements to permit the expansion of designated nonconforming uses and structures in a specific

identified future land-use area or anywhere in the municipality. Alternatively, identification may be general in nature, for example, all commercial development over 2,500 square metres in the areas designated Commercial shall be considered by development agreement.

Why use a D.A.?

There are many instances when a municipality may wish to use the development agreement process. They include:

- To permit an obnoxious use that Council would not want to pre-zone anywhere.
- To control large scale developments on a single lot which might place excessive demands on municipal services.
- To enable the development of a single mixed use building which might not be permitted under conventional zoning (or allow the development of several multiple use buildings on a single lot).
- To allow non-conforming uses or structures to expand on their existing lots (the development agreement can only deal with the expansion of the use or structure).
- To allow but also limit a particular use or uses in an area because the development agreement would limit the use or uses to the exact use or uses specified in the development agreement. In contrast, a By-law (re-zoning) amendment to a particular zone would permit any of the listed permitted uses in that zone to develop as-of-right.
- To control certain types of development on environmentally sensitive lands and watershed lands.
- To offer some protection for specific historical buildings, for example, by allowing expansions, alterations and conversions to other uses only by development agreement and by controlling the architectural design and use so it will be compatible to adjacent developments by development agreement.

D.A. policies should provide clear direction.

Policies in the Strategy must clearly indicate under what circumstances the property owner has the right to apply for a development agreement. It cannot be left to the individual, or to a Council to decide whether the proposed development should be processed by a development agreement or by a By-law amendment.

Development agreements are a useful technique; however, extensive use of development agreements may prove to be very time consuming, costly and cumbersome to administer. Their use should be carefully considered and if zoning techniques or site-plan approval can achieve the desired objective then they should be used.

4.1.2 Evaluating Criteria

D.A. policies should provide framework for evaluation.

In order to satisfy the requirements of Section 225 (1)(c) of the *Act*, the Strategy must also contain policies that provide a framework for Council to evaluate each proposal which is subject to the development agreement process.

The criteria should include the proposed use of the land and such things as: the traffic the proposal would generate, the proposed exits and accesses, the proposed parking, signage, outdoor lighting, and the adequacy of existing services, outdoor storage, proposed buffering and external appearance such as exterior material to be used, roof-line and compatibility with adjacent uses in terms of height, bulk and lot coverage.

Motherhood types of criteria, like "the proposal should be beneficial to the community", should be avoided because they may be difficult to defend. If the decision of Council is appealed, unclear criteria may result in differing interpretations by the Utility and Review Board (Board). Therefore, the criteria should deal with specific locational attributes, capacities of existing infrastructure and other municipal services like schools, police, fire and compatibility with adjacent uses in terms of use, size, height and design. In this way, Council's decision concerning the development agreement can be more easily defended before the Board and Council's decision is more likely to be upheld.

4.1.3 By-law Provisions

To implement development agreement policies there must be provisions in the By-law indicating the types of uses and where they will be allowed by development agreement. See section 225 (2) of the *Act*.

4.1.4 Items In A Development Agreement

The evaluating criteria should not be confused with the items that may be included in a development agreement. The items that may be included in a Development Agreement (see Section 227 of the *Act)* are:

- plans and maps of the proposal
- hours of operation
- maintenance requirements
- provisions for adequate buffering or screening
- time limits for the initiation of construction
- any matter which may be addressed in a By-law
- easements for the construction and maintenance or improvement of watercourses, ditches, land drainage, stormwater systems, wastewater facilities, water systems and other utilities
- grading or land alterations
- subdivision of land
- security or performance bonding

The D.A. should provide a limited degree of flexibility to reduce the need for amendments on issues which are not significant.

A development agreement can be written in such a way as to provide a degree of flexibility or conversely it can be written to be restrictive. In the latter case it can tie a developer to only one specific use of the land and also go so far as to specify the amount of floor space that may be devoted to that use. This may be desirable but in some instances such rigidity may not always be practical or in the best interest of a municipality. This can be overcome by building in some flexibility. For example, a development agreement may specify that only an accounting firm may be located on a property. However, if at some later date the firm moves to a new location and a consulting firm wants to set up an office on the property, this would not be permitted. It could only be permitted if the development agreement were amended and a consultant's office included as a permitted use. (Such an amendment would also have to be consistent with the policies in the Strategy.) In this instance, it might have been more appropriate to

have originally specified the permitted use as a professional office. Similarly, some flexibility might be obtained in a development agreement, if for example in a development agreement for a shopping centre, a wide range of permitted uses are listed or alternatively, list those uses that are not desired.

Under the *Act* (Section 227 (3) (a)) a development agreement may indicate matters which are not considered substantive or those matters that are substantive. To change the substantive matters a development agreement requires an amendment to the original agreement which means repeating the adoption process including holding a public hearing. However, those matters identified in a development agreement as non-substantive or that were not identified as being substantive may be altered without a formal amendment process. For example, there may be provisions whereby the setbacks indicated on the site-plan attached to the development agreement may be varied as a non-substantive amendment by plus or minus 10% to accommodate any unforeseen excavation problems such as a substantial amount of bedrock.

4.2 The Development Agreement Process

The D.A. must follow the process delineated by the *Act*.

A development agreement is processed in the same manner as a By-law amendment with the accompanying notification and public hearing. The decision to enter into (or approve) a development agreement is done by a policy of Council following the public hearing. The decision is appealable to the Nova Scotia Utility and Review Board; therefore, the criteria used by Council to evaluate a proposal should be clear and concise. When Council rejects a development agreement it must give reasons for doing so based on polices in the Strategy. (Section 230 (6) of the *Act*).

In order to make a substantive amendment to a development agreement the adoption process must be repeated. The only exception to this is where the initial agreement outlines those matters that the parties have identified as not substantiive or not identified as being substantive. (See also Section 4.1.4 of this *Guideline*.)

The development agreement should not be signed until the appeal period has elapsed and until all appeals have been disposed of and Council's decision to enter into the development agreement upheld

(*Act*, Section 228 (3) (a)). In addition, where a Strategy amendment has been adopted to enable the development agreement it should not be signed until the Strategy amendment is in effect and the appeal period for the development agreement has elapsed. Once the development agreement is signed, the Clerk registers it at the Registry of Deeds and it remains in effect until discharged by Council.

A D.A. can be discharged under certain conditions.

A discharge can only occur in accordance with the terms of the development agreement or with the concurrence of the property owner. The development agreement may also include provisions that identify the time and conditions under which the development agreement may be discharged with or without the concurrence of the property owner. It may also state that upon the completion of the development or phases of the development, the development agreement or portions of it may be discharged. If such provisions are not included, the development agreement must be amended and the discharging provisions added. The actual discharging of a development agreement requires a resolution of Council and the resolution discharging the agreement is also registered by the Clerk. Once discharged, the property is subject to the provisions in the By-law. (Sections 227 (3) (b), 227 (3) (c), and 229 of the *Act*.)

When discharging a development agreement there are two basic concerns to consider:

- the effect the discharge will have on any requirements which may have been placed on the development concerning such things as maintenance and hours of operation (i.e. these will be removed); and,

- whether or not the underlying zoning on the property will make the development a nonconforming use, structure or both.

The Strategy may be written to address the second issue by permitting a re-zoning of the property at the time the development agreement is discharged. Still, the development may not fit any existing zones and consequently it may become a nonconforming use or structure or both. Therefore, the Strategy could provide that the By-law be amended such that:

- the development is listed as a permitted use in the zone in which it is situated; or

- a zone appropriate for that development is created and the development is re-zoned to that new zone.

Such amendments would result in the development being conforming instead of non-conforming. In light of these two concerns and their implications few agreements are discharged. The one situation where a development agreement might be discharged is a development agreement associated with a Comprehensive Development District (CDD) where the development agreement consists of a site-plan for the whole area and it provides that uses be developed according to existing zone requirements. For example, townhouses in a CDD shall be developed in accordance with the municipality's Townhouse Zone. (See Section 5.4 of this *Guideline*.)

4.3 Examples Of Provisions

What types of provisions could be included?

The following examples illustrate how development agreement provisions might be set out in policies in a Strategy and then carried through into the By-law. These examples have been taken from existing Strategies or proposed amendments to Strategies.

Policy 1 It shall be the intention of Council to consider proposals for fish reduction plants anywhere in the Municipality (or the policy could limit it, for example, to "areas designated Industrial on the Future Land Use Map") only by development agreement.

Policy 2 It shall be the intention of Council when evaluating proposals under Policy 1 to have regard to the following:

(a) the proposed development is not located within 500 metres of an existing residential, institutional or recreational use including cottages. *Note: the separation distance used should not be so great so as to effectively prohibit development of the use in the municipality*;

(b) the proposed development abuts and fronts upon a public street; and

(c) the proposed development conforms with all relevant criteria of Policy "X" in the Implementation portion of the Strategy. (The policy outlining the general criteria Council shall have regard to when considering a development agreement request.)

Policy 3 It shall be the intention of Council to consider proposals for day nurseries (other than those allowed as home occupations) in areas designated Residential by development agreement. *Note: This applies for example, in instances where the operator of the nursery does not reside in the building in which the use is located.*

Policy 4 It shall be the intention of Council when evaluating proposals under Policy 3 to have regard to the following:

(a) the compatibility of external appearance and scale of the building with existing residential development;

(b) the hours of operation;

(c) the provisions made for parking;

(d) the proposed development does not include an illuminated sign; and

(e) the criteria set out in Policy "X" in the Implementation portion of the Strategy.

Policy 5 It shall be the intention of Council to consider development proposals for shopping centres in the area designated Commercial General on the Generalized Future Land Use Map by development agreement.

Policy 6 It shall be the intention of Council when evaluating a proposal under Policy 5 to consider the following matters where applicable:

(a) the proximity of the proposed development to local schools and churches.

(b) the impact of the proposed development on:

(i) the existing residential uses in the area with particular regard to the use and size of the structure or structures that are proposed, buffering and landscaping, hours of operation for the proposed use (where applicable) and other similar features of the use and structure.

(ii) the adequacy of municipal services with particular regard to demands on the sewer system, fire protection, refuse collection and police protection.

(iii) pedestrian and vehicular traffic circulation with particular regard to ingress and egress from the site, traffic flows and parking areas.

(c) the submission of a site-plan showing the location of the use and the structure or structures on the lot, parking areas and building lay-out.

(d) the lot is large enough to ensure that adequate screening and landscaping can be done.

Policy 7 It shall be the intention of Council that development agreements under Policies 1, 3 and 5 contain such terms and conditions as are necessary to ensure that the development is consistent with the policies of this Strategy. To this end, the development agreements shall include some or all of the following where applicable:

(a) the specific use of the land;

(b) the size of the structure or structures if a new or an expansion of an existing structure or structures are proposed;

(c) provisions for adequate buffering to screen the development from adjacent conflicting land-uses;

(d) any matter which may be addressed in a By-law, i.e. parking requirements, yard requirements;

(e) time limits for the initiation of construction;

(f) the hours of operation and the maintenance requirements of the proposed use; and

(g) all other matters enabled by the *Act* in Section 225 to 230.

To implement these policies a Development Agreement Part must be added to the By-law. This might be worded similar to the following:

Part X. Development Agreements
Uses Considered By Development Agreement

The Strategy provides that the following uses shall be dealt with by development agreement:

(a) fish reduction plants anywhere in the municipality (in accordance with Policies 1 and 2);

(b) day nurseries (other than as home occupations) in areas designated Residential (in accordance with Policies 3 and 4).

(c) shopping centres in areas designated Commercial General (in accordance with Policies 5 and 6).

5. Comprehensive Development Districts

CDD s combines zoning and development agreements.

Section 226 and of the *Act* enable a Council to include policies in its Strategy which would permit it to establish comprehensive development districts (CDD's).

A CDD represents a combination of the zoning and development agreement methods. It is concerned with the development of larger areas of land (which may include multiple property owners) and may allow a mixture of uses within that area. While on the other hand, a development agreement, as outlined in Section 4 above tends to be more closely associated with the control of a specific use on a particular property. The development agreement in the CDD approach can apply to all or part of the lands zoned CDD. The zone may permit some types of development to proceed on an as-of-right basis. (Section 226 (1) of the *Act)*

The CDD approach is generally applied to an area of land in which Council anticipates development pressures and perhaps desires a mixture of uses which could not be adequately controlled through the establishment of a mixed use zone under conventional zoning. This approach enables Council to permit and plan for a mixture of uses in an area and to vary provisions such as side yards and setbacks to encourage innovative designs.

This tool is normally used on large areas of land (eg. 5 to 100 acres or more) and usually allows for a wide range of land-uses (eg. everything but industrial uses or everything but residential uses). A CDD and its agreement or agreements can involve a single land owner or a number of different landowners. It depends on the area to be zoned CDD. Once a development agreement is in place development permits in the CDD agreement area would be issued to the landowners if their proposed developments conformed with the development agreement.

5.1 *Municipal Government Act* Requirements

Like the development agreement provisions, the Strategy must identify when and where the CDD provisions apply and the classes of uses that would be considered within a CDD. As well the criteria for evaluating a proposal for a CDD must be set out in policy. For example, a criterion might be that the proposal includes a mixture of residential housing types (including single detached, semi-detached, townhouses and apartment dwellings) and moreover to ensure this, the criterion might specify that no more than half the dwelling types be single detached units.

CDD's have been most frequently employed to control large planned

residential areas on "undeveloped" land. But, they could be used for example, to control the development or redevelopment of industrial areas, heritage areas and downtown redevelopment. Where CDD's are being used for different purposes, policies must be contained in the Strategy that outline the application for each one.

5.2 Items In A CDD Agreement

The CDD approach involves a development agreement. Therefore, it may include all the items that are covered by a development agreement as outlined in Section 4.1.4 of this *Guideline* including provisions for phasing the development. These agreements may include a complete description, street layout and the subdivision of the lands (Section 281 of the *Act*) in order to ensure the development proceeds consistent with the agreed upon concept plan for the CDD.

5.3 CDD Process

The CDD process is delineated by the M.G.A.

To implement the CDD policies in a Strategy a separate zone must be established in the By-law. This zone might be called a CDD or simply a Special Area Zone. An area or areas may be pre-zoned CDD on the Zoning Map or the zone may be left as a floating zone with the potential to be used at a later date by way of a By-law (zoning map) amendment. (See Section 2.5 of this *Guideline*.)

If, for example, a developer wishes to have their property zoned CDD there are two possibilities:

(1) If the municipality's Strategy and By-law provide for a CDD zone but the land in question has not been pre-zoned CDD then the developer could apply for a re-zoning. This request would be evaluated in light of the CDD criteria set out in policy; or

(2) If the municipality's Strategy and By-law do not provide for a CDD zone then Council could decide to amend its planning documents to establish a CDD zone and if amended the land in question could be zoned accordingly.

Note: It is possible that a Strategy and Bylaw may provide for more than one CDD zone category. For example there may be a Residential CDD Zone and an Industrial CDD Zone.

Once the land is zoned CDD, Council and the owner or owners of the land negotiate a development agreement(s). The development agreement is processed in a manner outlined in Section 4.2 of this Guideline. The decision of Council to approve or refuse to enter into the development agreement is appealable to the Utility and Review Board. If a development agreement is rejected by Council the reasons for doing so must be given and these should be based on policies in the Strategy (Section 230 (6) of the *Act*).

The approval of a re-zoning to a CDD and the development agreement may be done concurrently. However, a separate public hearing is required for each.

If Council approves both the re-zoning and the development agreement at the same time, the development agreement should not be signed until both the appeal process for the re-zoning and the appeal process for the development agreement have elapsed. See also the *Guideline* in this series "The Strategy and By-law Approval Process".

5.4 Examples

An example of a CDD.

An illustration of how a CDD may be used and how the CDD process works can be seen in the case of a small Nova Scotian town where the construction of a limited access highway created an opportunity for the Town. The Town wished to control both the type and appearance of the uses in an area adjacent the new highway. Originally, the area was designated and zoned for Highway Commercial uses in the Town's Strategy and Bylaw. In order to achieve the desired control Council amended its Strategy and By-law. Provisions were added to provide for the establishment of a CDD on the land adjacent the new highway that had previously been designated Highway Commercial. Under the CDD provisions the land was re-zoned CDD and the Town negotiated a development agreement with the landowner (in this instance there was only one property owner) in the CDD zone. The development agreement outlined the proposed uses for the land and where they would be located. Before entering into the CDD agreement Council followed the procedures as outlined previously in Section 4.2 of this

Guideline, The Development Agreement Process. The owner of the land was then issued a development permit when the proposed development conformed with the terms of the development agreement.

In this instance there was only one property owner involved. However, if the area zoned CDD had included several properties, the property owner who wanted to develop his or her property first would have negotiated a development agreement (and concept plan) for his or her land. The other property owners in the CDD area could then negotiate a separate agreement when they in turn wished to develop their properties.

What types of policies are required?

An example of policies setting up provisions for a Comprehensive Development District (CDD) are outlined below.

Policy 1 It shall be the intention of Council to enable development by a Comprehensive Development District in areas designated General Residential on the Generalized Future Land Use Map and allow by development agreement a mixture of residential uses and related recreational, commercial and open space uses, with an emphasis on a mix of dwelling types and to establish in the By-law a CDD zone which will allow such development.

Policy 2 When considering an amendment to the By-law (a re-zoning) to establish a Comprehensive Development District, Council shall have regard for the following: *Note: This applies when no lands have been pre-zoned CDD.*

(a) That the district is within the areas designated General Residential;

(b) That the district includes a minimum area of two hectares;

(c) That adequate municipal services are available (eg. sewer, water and schools); and

(d) That the development is consistent with the general policies of this Strategy.

Policy 3 Pursuant to Policy 1, it shall be the intention of Council when evaluating a development agreement for a development in the Comprehensive Development District to have regard to:

(a) The proposed housing mixture;

(b) The adequacy of the existing and proposed street network to handle the traffic to be generated by the development; and

(c) See Section 4.3 Policy 6 of this *Guideline* for examples of other criteria that might be included here.

Policy 4 Pursuant to Policy 1, it shall be the intention of Council that such a development agreement include the following information:

(a) A legal description of the land;

(b) The total number and type of dwelling units, lot size, proposed lot coverages, approximate gross and net population densities, total amount of open space and useable open space, total amount of commercial and where applicable institutional facilities;

(c) A site-plan and supporting maps to describe existing topographic conditions and vegetation, lot lines, location and size of all existing and proposed buildings and structures including maximum heights, types of dwelling units, density per type and non-residential structures; and

(d) The location and size of all areas to be dedicated or reserved as common open spaces, public parks, recreational areas, and other public uses; existing and proposed circulation systems including parking and serviced areas, and major points of ingress and egress to the development; existing and proposed pedestrian circulation systems

including its interrelationship with the vehicular circulation system; existing and proposed public utility system and general schematic landscape plan indicating the treatment of private and public open spaces and the development agreement may include any other matter that may be dealt with in a land-use by law and as enacted in Section 227 of the *Act*.

Policy 5 It shall be the intention of Council that any agreement made pursuant to Policies 1, 2 and 3 may be discharged upon completion of the development or upon completion of particular specified phases of the development. Upon discharging part or all of any agreement, Council shall zone the lands to reflect the intent of the development agreement. (Note: If the development has been developed in accordance with the By-law's various zone requirements, for example, townhouses have been built according to the townhouse zone requirements (eg. side yards, front yard setbacks, etc.) the structures would not become nonconforming when the development agreement is discharged and the appropriate zoning is applied. This is assumed to be the case here but it may not always be so, consequently it may not be desirable to discharge the development agreement.)

Provisions in the By-law to implement these policies might be worded along the following lines:

<u>Land-use By-law</u>

Part X. Comprehensive Development District (CDD) Zone

(1) The following uses shall be permitted in the CDD zone: in accordance with the development agreement.

- any residential dwelling type;
- single detached dwelling units do not require a development agreement but are subject to the provisions of the R-1 Zone; and

- recreational, commercial and open space uses, accessory to the foregoing.

(2) Notwithstanding any other provision of the By-law, Council may, by adopted policy, approve any specific development application pursuant to Policies 1, 3, 4 and 5 of the Municipal Planning Strategy (above).

6. Performance Standards

Performance standards are based on the notion, what type of development can the land handle?

Performance standards are in essence design standards and are used predominantly when dealing with land capability. Such standards have not been employed in Nova Scotia though they are enabled under the *Act* (Section 220 (5) (j)). They could be employed in rural areas to obtain development designed to fit a site's environmental capacities. This is in contrast to development superimposed on a site and environmental characteristics and capacities changed to meet the use.

For example, a municipality may want to allow development in accordance with specific environmental performance standards. To achieve this there first should be an enabling policy in the Strategy and then the establishment of the specific standards in the By-law. The latter might be: no more than 20% of the area's surface shall be impervious; the run-off shall not be more than 5% above the natural level of nun-off existing prior to development; and the slope of the land shall not be greater than 1:3. If a development met these standards a development permit would then be issued.

In urban areas performance standards might be used to control the effects of wind-tunnelling created by high rise developments or to establish minimum sun-light provisions. In both these instances measurable standards would have to be established.

7. Site-planning

Site-plans provide an alternative to development agreements and zoning.

In the past, municipalities have used the development agreement process to gain control over items other than the use of land itself (i.e., items related to the site such as landscaping, the location of parking lots or storage areas, number of parking spaces, signage,

hours of operation, building design, etc.). The development agreement process, however, can be a lengthy and expensive process which results in a legal contract between the developer and the municipality.

Site-planning is a new development control technique that is enabled by the *Act* (Section 231, 232, 233) (also see Bulletin #38 of the *Municipal Government Act Resource Guide*). It is a process that lets the development officer and the developer agree on certain site related aspects of the development prior to the issuance of the development permit. It should be noted that this process does not apply to one and two unit dwellings (Section 231 (2) of the *Act*).

What elements can a site-plan include?

Section 231 (4) of the *Act* lists those elements of a development that site-plan may deal with. They are such things as:

- the location of structures on the lot;
- location of parking areas and driveways;
- fences;
- vegetation;
- retention of existing vegetation;
- management of storm or surface water
- signs; and
- maintenance.

The site-planning process is a way of dealing with these site-related issues in a less formal way than would be required by the development agreement process. The site-planning approval is also limited to dealing with only one lot at a time, whereas a development agreement can involve a subdivision or multiple lots.

It must be remembered that this is as-of-right development and there is no question of whether the use is allowed or not. The standard time frames for issuing a municipal development permit also still apply to site-planning. This process provides the developer greater flexibility on the actual position of the structure, the parking facilities, signage, driveway access and maintenance. These aspects are negotiated between the developer and the development officer and set out in a site-plan. These various components of the development are then shown on a site-plan and the developer is obliged to meet the specified elements of the development as shown on the plan.

One further distinction of the use of site-planning from simple zoning and the issuance of municipal development permits is that when the site-plan is agreed to, the development officer must notify adjacent property owners in the same way as a variance to the By-law is dealt with. Those people who received the notice are able to appeal the approval of the site-plan to the municipal council in the same fashion as a variance. The actual permit is not issued until the time of the appeal has lapsed or the appeal disposed of (Section 233).

Site-plans require policy support in the strategy and guidelines in the by-law.

To use this tool, a municipality must have policy support in its strategy, identifying the use(s) and/or zone or area where the municipality wants to have greater control over site specific items. The policy provisions of the strategy must explain why the municipality requires this extra control. The by-law provisions should also provide guidelines for the development officer to evaluate site-plans.

The site-plan is not a written contract, rather it is a drawing or plan and may include some written notations. The site-plan is specific to the property and would continue to apply even in the event that the property was sold, unless the site-plan was discharged by Council (Section 234). The owner of the property, however, may at a later date wish to change the use of the property to another permitted as-of-right use in the zone. If the new use is subject to site-plan approval, the original negotiated site-plan would have to be revisited.

Appendix 5.3a

Draft Development Agreements

The following draft development agreement formats are examples of what could be used as a base for developing a town's or municipality's own development agreement format. Depending on the nature of the case, the policies of the Strategies and the municipality's preference, there can a wide variation in development agreement formats. It is suggested, however, the more standardized the general format, the easier it would be for all concerned in a municipality to better understand them.

The reader is also cautioned that the preparation of these examples containing practical suggestions must necessarily involve interpretation of legislation as it applies in general situations. Specific situations may require careful legal analysis and therefore reference should be made to the *Municipal Government Act*, other relevant legislation and to legal advisors.

A. Development Agreement (based on the format used by the Planning and Development Services of the Halifax Regional Municipality)

THIS AGREEMENT made this _____ day of _____, 20____,

BETWEEN:

_____
(ENTER NAME OF PROPERTY OWNER)
(hereinafter called the "Developer")

OF THE FIRST PART

-and-

_____
(MUNICIPALITY/TOWN),
a body corporate, in the County of _____
Province of Nova Scotia
(hereinafter called the "Municipality/Town")

OF THE SECOND PART

WHEREAS the Developer is the registered owner of certain lands located at _____ (enter approximate description of property and community name) and which said lands are more particularly described in Schedule "A" to this Agreement (hereinafter called the "Lands");

AND WHEREAS the Developer has requested that the Municipality/Town enter into a development agreement to allow for _____ (enter brief synopsis of project) on the Lands pursuant to the provisions of the *Municipal Government Act (Act)* and the Strategy and By-law for _____ (enter name of plan area if more than one for municipality);

AND WHEREAS the _____ (enter name of council) approved this request at a meeting held on _____(enter date),

THEREFORE in consideration of the benefits accrued to each party from the terms herein contained, the Parties agree as follows:

Part 1: Definitions

a. Use definitions for items which are unique to the development agreement or are not defined in the Strategy, By-law or Subdivision By-law.

b. Use definitions to define specific Municipal Planning Strategies or By-laws or Subdivision By-laws, if the Municipality/Town has more than one.

c. If included, define what is meant by the commencement and completion of a project.

Part 2: General Requirements and Administration

2.1 The Developer agrees that the Lands shall be subdivided (where applicable), developed and used only in accordance with and subject to the terms and conditions of this Agreement.

2.2 Except as otherwise provided for herein, the development and use of the Lands shall comply with the requirements of the By-law, as may be amended from time to time.

2.3 Except as otherwise provided for herein, the subdivision of the Lands shall comply with the requirements of the Subdivision By-law, as may be amended from time to time. (This is only required if the subject property is to be subdivided or consolidated as part of the development agreement.)

2.4 Pursuant to Section 2.2 and 2.3, nothing in this Agreement shall exempt or be taken to exempt the Developer, lot owner or any other person from complying with the requirements of any by-law of the Municipality/Town applicable to the Lands (other than the By-law and Subdivision By-law to the extent varied by this Agreement), or any statute or regulation of the Province of Nova Scotia, and the Developer or lot owner agrees to observe and comply with all such laws, by-laws and regulations in connection with the development and use of the Lands.

2.5 Where the provisions of this Agreement conflict with those of any by-law of the Municipality/Town applicable to the Lands (other than the By-law and Subdivision By-law to the extent varied by this Agreement) or any provincial or federal statute or regulation, the higher or more stringent requirements shall prevail.

2.6 The provisions of this Agreement are severable from one another and the invalidity or unenforceability of one provision shall not affect the validity or enforceability of any other provision.

Part 3: Use of Lands and Development Provisions

3.1 Schedules

The Developer shall develop and use the Lands in conformance with the site-plans (also design drawings, renderings and supporting technical documents, if required) attached as the following Schedules to this Agreement (copies of plans and maps should not be more than letter sized paper, larger scale plans and maps should be retained in the office file):

Schedule "A"	Legal Description of the Lands of _____ (property owner), identified as _____ (property identification - Civic No., Lot No.&/or PID No.
Schedule "B"	Site-plan
Schedule "C"	Elevation Drawings
Schedule "D"	Schematic Servicing Plan
Schedule "E"	Erosion and Sedimentation Control Plan

3.2 General Description of Land-uses

The use of the Lands permitted by this Agreement, subject to its terms and as generally illustrated on Schedule "B" may be described as follows:

_____

_____

Or

The use of the Lands permitted by this Agreement, subject to its terms and as generally illustrated on Schedule "B", are the following: (this may be more applicable to a Comprehensive Development District)

a. a maximum of _____ single unit dwellings
b. a maximum of _____ semi-detached dwelling units

c. a maximum of _____ apartment buildings, containing a maximum of _____ units

d. a commercial building to serve the local convenience needs of the neighbourhood

e. parkland and open space

3.3 **Detailed Provisions for Land-uses** (this may be more applicable to a Comprehensive Development District)

This entails specific site development standards for each land-use.

a. _____

b. _____

c. _____

d. _____

3.4 **Parkland and Open Space**

- Refer to Schedule for locations
- Specify when lands are to be deeded
- Specify what improvements are the responsibility of the Developer (plans, walkways, tree retention, grading, stabilization, installation, security deposit, etc.)

3.5 **Phasing** (this may be more applicable to a Comprehensive Development District)

- If the development entails multiple phases of construction, these should be illustrated in a Schedule
- Include provisions describing the requirements /approvals necessary for each phase, including timing or time limits is applicable.

3.6 **Streets and Municipal Services** (this may be more applicable to a Comprehensive Development District)

- This section specifies provisions respecting the design and construction of streets, sidewalks, sanitary sewer system, water distribution system, utilities (street lights, power) and street trees
- Provisions regarding the stormwater system can be included here or cross-referenced to the "Erosion and Sedimentation Control" section.

3.7 Environmental Protection

- An "Erosion and Sedimentation Control Plan" should be required from the Developer, and should form a Schedule to the Agreement.
- The Plan should address items such items as tree retention and grade alteration (site disturbance boundaries), stormwater management (piped and surface systems), erosion and sediment control measures to be undertaken during construction, timing of soil stabilization/landscaping, security deposits, and approvals.

3.8 Maintenance

- This section specifies what elements of the development the Developer/Owner is responsible for in terms of on-going maintenance.

3.9 Approvals/Permits

- Suggested timing and requirements for approvals/permits should be addressed in the applicable sections above. However, should this not be the case, this section would specify the requirements for various approvals and when such approvals are necessary.
- This section could also make reference to other required approvals such as the Lot Grading By-law, Grade Alteration (Topsoil Removal) By-law, etc.

PART 4: AMENDMENTS

4.1 The provisions of this Agreement relating to the following matters are not deemed to be substantial and may be amended by resolution of the Council:

a. _____

b. _____

c. _____

4.2 Amendments to any matters not identified under Section 4.1 shall be deemed substantial and may only be amended in accordance with the approval requirements of the *Act*.

Part 5: Registration, Effect of Conveyances and Discharge

5.1 A copy of this Agreement and every amendment and discharge of this Agreement shall be recorded at the office of the Registry of Deeds at Halifax, Nova Scotia and the Developer shall pay or reimburse the Municipality/Town for the registration cost incurred in recording such documents.

5.2 This Agreement shall be binding upon the parties thereto, their heirs, successors, assigns, mortgagees, lessees and all subsequent owners, and shall run with the land which is the subject of this Agreement until this Agreement is discharged by the Council.

5.3 (use the following where the Development Agreement involves the subdivision of lots, such as in a Comprehensive Development District)

Notwithstanding any subdivision approvals granted pursuant to this Agreement or any transfer or conveyance of any lot or of all or any portion of the Lands, this Agreement shall continue to apply to and bind the Developer, the Lands and each lot and, subject to Section 5.4, the Developer shall continue to be bound by all terms and conditions of this Agreement until discharged by the Council.

5.4 Upon the transfer of title to any lot, the owner thereof shall observe and perform the terms and conditions of this Agreement to the extent applicable to the lot.

5.5 In the event that construction of the development has not commenced within _____ (enter number of years or months) from the date of approval of this agreement by the Municipality/Town, as indicated herein, the Municipality/Town may, by resolution of Council, either discharge this Agreement whereupon this Agreement shall have no further force or effect, or upon the written request of the Developer, grant an extension to the date of commencement of construction. For the purposes of this section, "commencement of construction" shall mean _____ (enter description, in consultation with developer and Development Officer).

5.6 Upon the completion of the development or portions of the development, or within _____ (enter number of years or months) from the date of approval of this Agreement, whichever time period is less, Council may review this Agreement, in whole or in part, and may:

a. retain the Agreement in its present form;
b. discharge this Agreement on the condition that for those portions of the development that are deemed complete by Council, the Developer's rights hereunder are preserved and the Council shall

apply appropriate zoning pursuant to the Strategy and By-law.

Part 6: Enforcement And Rights And Remedies On Default

6.1 The Developer agrees that any officer appointed by the Municipality/Town to enforce this Agreement shall be granted access onto the Lands during all reasonable hours without obtaining consent of the Developer. The Developer further agrees that, upon receiving written notification from an officer of the Municipality/Town to inspect the interior of any building located on the Lands, the Developer agrees to allow for such an inspection during any reasonable hour within _____ (specify time frame) days of receiving such a request.

6.2 If the Developer fails to observe or perform any condition of this Agreement after the Municipality/Town has given the Developer thirty (30) days written notice of the failure or default, then in each such case:

a. the Municipality/Town shall be entitled to apply to any court of competent jurisdiction for injunctive relief including an order prohibiting the Developer from continuing such default and the Developer hereby submits to the jurisdiction of such Court and waives any defence based upon the allegation that damages would be an adequate remedy;

b. the Municipality/Town may enter onto the Property and perform any of the covenants contained in this Agreement whereupon all reasonable expenses whether arising out of the entry onto the lands or from the performance of the covenants may be recovered from the Developer by direct suit and such amount shall, until paid, form a charge upon the Property and be shown on any tax certificate issued under the *Act*.

c. the Municipality/Town may by resolution discharge this Agreement whereupon this Agreement shall have no further force or effect and henceforth the development of the Lands shall conform with the provisions of the By-law; and/or

d. in addition to the above remedies the Municipality/Town reserves the right to pursue any other remediation under the *Act* or common law in order to ensure compliance with this Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and year first above written:

Signed, sealed and delivered in the presence of:	)	(enter name of property owner)
per: _____	)	per: _____
Sealed, Delivered and Attested by the proper signing officers of _____Municipality/Town duly authorized on that behalf) in the presence of	)	(Municipality/Town)
	per:	_____ MAYOR
_____	)	per: _____
	)	MUNICIPAL CLERK

B. Development Agreement

THIS AGREEMENT MADE THIS _____ DAY OF _____ , 20___

BETWEEN:

_____
a body corporate with head office in the _____ in the County of _____ (hereinafter referred to as the "Developer").

- and -

_____
(hereinafter referred to as the "Municipality/Town")

WHEREAS the Developer is the registered owner of certain lands (hereinafter called the "Property") which lands are more particularly shown in Appendix "A" attached hereto;

AND WHEREAS the Developer wishes to obtain approval of and a Development Permit for the construction of a _____ as shown on a site-plan attached as Appendix "A"; pursuant to the Municipal Planning Strategy and the Land-use Bylaw of the Municipality/Town;

AND WHEREAS a condition of the granting of approval by the Municipality/Town Council is that the Registered Owner of the Property enter into an agreement with the Municipality/Town;

AND WHEREAS the Municipality/Town Council at its meeting held on the _____ day of _____, 20___ approved the Developer's application for a Development Agreement to permit construction of the Development;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein contained the Developer and the Municipality/Town acknowledge and agree as follows:

1. General

1.1 In this Agreement, "Developer" means _____ . This Development Agreement shall bind each and every Developer jointly and severally with the other parties hereto.

2. Plans

2.1 The main building (or "buildings for the Development") shall be located and constructed in conformity with the side, rear and front yard setbacks as shown on the site-plan attached as Appendix "A" to this agreement.

2.2 The height of the main building (or "any buildings") of the Development shall not be greater than _____ metres.

2.3 Notwithstanding subsection (2.1) of this agreement the location of the main building (or "any building") may be varied by not more than three metres without being considered a substantial change to this agreement.

3. Use

3.1 The permitted uses for this property shall be _____.

4. Parking

4.1 The Developer shall construct and maintain in good repair a parking area and a loading laneway as shown on Appendix "A" and in accordance with the following requirements:

i) there shall be _____ parking spaces;

ii) the driveways leading to the parking area shall be in the locations shown on Appendix "A" and shall be a minimum of eight metres and a maximum of ten metres in width; and,

iii) the loading space be as shown on Appendix "A".

5. Signs and Lighting Requirements

5.1 A maximum of two wall signs shall be placed as shown on Appendix "A".

5.2 All signs shall not exceed _____ square metres in area.

5.3 All exterior lighting fixtures shall be constructed and located in accordance with the manner shown on Appendix "A" and in accordance with the following requirements:

i) lighting standards shall be no higher than _____ metres above the finished grade of land and shall be arranged so as to divert the light away from streets and adjacent lots and residential buildings.

6. Servicing

6.1 The Development shall be serviced by a _____.

6.2 The Development shall be connected, at the Developer's expense, to the Municipality/Town's sanitary sewer system.

6.3 Solid waste disposal shall be the responsibility of the management of the Development.

6.4 Outdoor storage shall be allowed at the rear of the main building and a ____ metre wooden fence shall be built as shown on Appendix "A" to screen the storage area such that the goods being stored are not visible from the street or from any existing abutting residential properties.

7. Landscaping

7.1 The Developer shall retain and maintain a treed buffer at the western end of the property as shown on Appendix "A".

7.2 The Developer shall carry out and maintain in a neat and tidy manner a ___ metre landscaped strip abutting the front of the building as shown on Appendix "A".

8. Hours of Operation

8.1 The Development shall be open from _____.

9. Permits and Construction

9.1 Notwithstanding any other provision of this Development Agreement, the Development shall not undertake or carry out any development on the Property which does not comply with:

i) this Development Agreement,

ii) any statutes and regulations of the Province of Nova Scotia to the extent that the same are properly the subject of a development agreement, and

iii) with appropriate Municipality/Town By-laws, including without restricting the generality of the foregoing, the Building By-law.

9.2 The Municipality/Town shall issue the necessary permits for the Development as soon after the expiration of the appeal period set out in the ***Municipal Government Act***, as required by the Developer or upon the withdrawal or dismissal of any appeal which may be taken.

9.3 The Developer shall commence construction of the Development within _____ months subject to weather conditions and following the issuance of the necessary permits for the Development. If construction does not begin within the period set out herein, this Development Agreement may be discharged by the Municipality/Town Council.

10. Miscellaneous

10.1 The Municipality/Town shall cause this Development Agreement to be registered, at the expense of the Municipality/Town, in the Office of the Registrar of Deeds for the registration district in which the Property is located.

10.2 Pursuant the ***Municipal Government Act***, where the Property or any part thereof which is subject to this Development Agreement is conveyed to a person not a party to this Development Agreement, this Development Agreement shall continue to apply to the Property until discharged by the Municipality/Town Council.

10.3 This Development Agreement is subject to the provisions of the ***Municipal Government Act***.

10.4 All words appearing in this Development Agreement which are defined in the

Municipality/Town's Land-use By-law shall be deemed to have the same meaning as in the Municipality/Town's Land-use By-law.

10.5 If any clause or part of a clause or any covenant or obligation of this Development Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable for the remainder of the Development Agreement, the application of such clause or covenant or obligation to persons or circumstances other than those as to which it was held invalid or unenforceable shall not be affected, and each clause, covenant and obligation of this Development Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

10.6 This Development Agreement shall extend to and enure to the benefit of and be binding upon the Developer and the Municipality/Town and their respective successors and permitted assigns.

DATED at _____, Nova Scotia, the day and year first above written.

SIGNED, SEALED AND DELIVERED	)	Municipality/Town of
	)	
	)	
_____		_____
	)	
	)	
		_____
	)	
	)	
	)	
		The Developer
	)	
	)	
_____		_____
	)	
	)	
	)	
		_____
	)	
	)	

Section 6.1

Strategic Planning

Executive Summary

The purpose of this document is to provide a working manual for Nova Scotian municipalities to conduct a strategic plan. Whether a municipality wishes to produce a strategic plan in house or, hire a consultant to guide them through the process, this document will provide the material to make informed decisions. This document should be viewed as an introduction to strategic planning and further details on the topic can be found in a host of books, journal articles and web sites.

Strategic planning is a systematic process for identifying and implementing programs that capitalize on the municipality's strengths and weaknesses, while recognizing there are external threats and opportunities that have an impact upon the municipality. Quite simply, it provides the means for a municipality to chart a future it desires rather than reacting to events as they unfold. It provides the opportunity for the municipality to develop a vision of the desired future of the municipality with the participation from all stakeholders. The process also includes steps to ensure the strategic plan remains current, and responds and adapts to a changing environment.

There are seven basic steps in preparing a strategic plan, which are as follows:

1. Getting Organized
   - Striking a Strategic Planning Team
   - Setting Organizational Framework
   - Identifying Municipality's Mandates

2. Clarifying Values and Mission
   - Stakeholder Analysis
   - Municipality's Values
   - Municipality's Mission Statement

3. Assessing the Situation
   - Situation Assessment
   - SWOT Analysis (strengths, weaknesses, opportunities and threats)
   - Identifying Strategic Issues

4. Strategic Plan
   - Formulate Strategies
   - Integrating Strategies to Strategic Plan
   - Municipality's Vision Statement
   - Evaluation Process
   - Prepare Document

5. Adopting the Strategic Plan

6. Implementation
   - Formulate Implementation Process

7. Strategic Issue Management
   - Reassess Strategies and Strategic Planning Process

There are five main benefits of conducting a strategic plan:

1. It promotes strategic thought and action.
2. It focuses attention to critical issues.
3. It enhances a municipality's organizational responsiveness and performance.
4. Policy makers and decision makers are better able to fulfill their roles and the team work of municipal staff is strengthened.
5. A strategic plan provides the ground work for a municipal business plan.

The Strategic Plan can take twelve to twenty working days spread over a six to twelve month period, depending on the breadth and complexity of issues to be addressed. For any municipality, this is a manageable and rewarding endeavor, as a review of many successful municipalities will indicate, a strategic plan is the cornerstone to their success.

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Section 6.1

Strategic Planning

Part I - Background

Introduction

The purpose of this document is to provide a working manual for Nova Scotian municipalities for conducting a strategic plan. Whether a municipality wishes to strike out on their own to produce a strategic plan or hire a consultant to guide them through the process, this document will provide the material to make informed decisions. This document does not presume to be a detailed analysis of strategic planning, because there are numerous books, journal articles and web sites which can provide a detailed review on the topic.

The procedure provided in this document integrates the techniques from a variety of sources, to produce a model for the municipal setting in a clear and simple to use methodology. The reference section provides a review of some of the better source documents and web sites used to compile this paper. Of these, however, John Bryson's book, *Strategic Planning for Public and Non-Profit Organizations* stands out primarily because it focuses on government and non-profit organizations rather than on business applications. Consequently, many of the methods forwarded in other documents dealing with government have usually been based on Bryson's work.

Why Strategic Planning?

Strategic Planning has become the cornerstone for many successful municipalities.

Over the last two decades, there have been a wide variety of new management techniques, ranging from cost-benefit analysis, planning-programming-budgeting systems, zero-based budgeting, management by objectives, Total Quality Management, re-invention, re-engineering, etc. On the whole most have disappeared and many were never really implemented. Strategic planning, however, has grown in popularity and use as an effective management tool, especially with municipalities. A quick review of the Internet will quickly illustrate the number of municipalities which have used strategic planning and made it a cornerstone of their organization's success.

Strategic planning can deal with a changing environment.

Primarily, the world is changing and no community is exempt from change, due to internal and external factors. Increasingly, each municipality is faced with resource limitations. This requires careful choices and requires new directions to deal with these new realities.

It provides a vision to the future, based on a municipalities strengths, weaknesses, threats and opportunities.

Strategic planning is a systematic way to manage change and create the best possible future within this new realm. It is a creative process for identifying and implementing programs capitalizing on a municipality's strengths, weaknesses, threats and opportunities. It focuses on the allocation of scarce resources to critical issues and encourages municipalities to investigate alternative resources. A strategic plan documents a course for the municipality. This can be particularly important in light of potential changes in personnel at the staff and council levels, thus ensuring the course is maintained. Finally, strategic planning can give a community a clearer picture of its own unique identity and draw attention to aspects regarding the municipality that have been overlooked before.

Therefore, as a management tool for Nova Scotian municipalities, strategic planning is highly recommended. For those municipalities which have already embarked on this process, this document will provide further clarification to streamline their strategic planning process to better fit the needs of the municipality.

Allison and Kaye in their book *Strategic Planning for Nonprofit Organizations: A Practical Guide and Workbook,* noted there are three values in completing a strategic plan:

Reactive vs. Opportunistic

1. A municipality's chances for success are greater if the organization has a strategic plan. Over the long haul, a municipality which is intentional and strategic in its thinking will accomplish more than being reactive and opportunistic without a strategic plan.

Shared vision

2. A municipality's chances of success are greater if the organization commits to building a vision which is shared by the councillors, staff and stakeholders.

Inclusive Process

3. An inclusive strategic planning process is an excellent way to develop a strategic plan and build commitment to a shared vision. In the long run a municipality which includes most of its stakeholders in formulating and maintaining its strategic plan will come closest to achieving its true potential.

What is Strategic Planning?

Quite simply, strategic plans attempt to answer the questions:

- Where are we right now?
- Where do we want to be in the future?
- What strategies will we need to implement to get there?
- What internal and external forces are operating that will hinder or help us to achieve our long term goals.

To operate properly, strategic planning requires a broad information gathering process, the development and exploration of strategic alternatives, with an emphasis on the future implications of present decisions. This process can facilitate communication and participation among some divergent groups of interests and values. Through the combined efforts from these groups it can encourage analytical decision making and promote the successful implementation of the plan itself.

Strategic planning builds on the political decision making process.

The strategic planning process is different from other management techniques, in that it builds on the nature of the political decision making process and encourages the inclusion of the major stakeholders in the planning process. Proponents of strategic planning have noted the failure of the other systems is due to the fact they are either ignored or tried to circumvent or to counter the political nature of the organization rather than build on the nature of the political decision making process.

What are the benefits of Strategic Planning?

There are five main benefits for a municipality to complete a strategic plan.

Systematic Information Gathering

1. The major benefit of strategic planning is the promotion of strategic thought and action. This leads to a more systematic information gathering about the municipalities' external and internal environment, various stakeholder interests, clarification of its future direction, and the establishment of priorities for action.

Focus on the issues

2. It provides for improved decision making, as it focuses attention on the crucial issues and it helps key decision makers figure out what to do about them. Strategic planning can help the municipality formulate and clearly communicate its strategic intentions. It can assist in making today's decisions in light of future consequences. It can help develop a coherent and defensible basis for decision making across all levels and functions within the municipality while exercising maximum discretion in those areas under their control.

Enhanced Responsiveness

3. From the first two points, it can enhance a municipality's organizational responsiveness and performance, as the municipality is encouraged to clarify and address major organizational issues, and respond wisely to internal and external demands and pressures. This permits the municipality to effectively deal within a rapidly changing environment. However, strategic thinking and acting are what count, not just thinking alone.

Team Building

4. Strategic planning can directly benefit the policy makers and decision makers to better fulfill their roles and meet their responsibilities. The teamwork and expertise amongst all municipal staff are likely to be strengthened.

Business Plan Development

5. A strategic plan provides the groundwork for a municipality to conduct a comprehensive business plan.

It requires the commitment of the major decision makers and stakeholders.

Although strategic planning can provide all of these benefits, there is no guarantee it will. Strategic planning is simply a set of concepts, procedures and tools. Municipal leaders, managers and planners need to be very careful about how they engage in strategic planning because their success will depend at least in part on how they tailor the process to their specific situation. In other words, strategic planning will only work if enough municipal decision makers, managers and planners support it and use it with common sense.

There are, however, situations when strategic planning should not be contemplated, for example when there is a major crisis in the organization (the municipality is in the process of searching for a

new Chief Administrative Officer or experiencing a major financial crisis) or there is not the commitment by key decision makers to produce a strategic plan. This is the paradox of strategic planning: where it is needed most, it is least likely to work and where it is least needed, it is most likely to work. Most of the crisis situations are short term considerations and should not preclude the municipality from embarking on strategic planning once the major threat of the crisis has subsided. The lack of commitment by key decision makers, however, is a major obstacle which must be resolved internally.

Consultants

If a consultant is to be hired, what factors should be considered in the selection process.

If the municipality lacks the skills or experience to undertake a strategic planning process, it may be well worthwhile to consider a consultant. In many instances, this avenue would be the recommended route as the consultants could assist in producing a strategic plan in a timely manner, keep the participants focused on the issues, minimize potential conflicts and be an invaluable resource throughout the process.

As with all municipal tendering processes, there will be a need to send out an expression of interest for a consultant to conduct the municipal strategic planning. In the evaluation process, the municipality may wish to consider the following:

- Does the consultant have a good grasp of the needs of the municipality?
- Does the proposal clearly outline the methodology, specific tasks to be performed by the consultant, and those required by the Strategic Planning Team?
- Is the methodology a "cookie cutter" exercise or will it be tailored to the specific needs of the municipality?
- How does the consultant plan to work with the staff of the municipality, the stakeholders and the Strategic Planning Team?
- Has the consultant clearly identified what will be included in the final product?

- Is there a clearly stated completion date and timetable? Are they acceptable?
- Do the consultant's staff have the qualifications to meet the requirements of the task?
- Which of the consultant's staff will be involved in the process? Will there be substitutions with less qualified junior staff once the project has commenced?
- Are the proposed project costs within line for each of the consultants? If not, determine what and why there are differences between the proposals?
- Will the consultant provide the background information and training for the municipality to conduct their own strategic planning in following years?
- Do the consultant's references and general reputation meet expectations?

Rules of the Game

What are the rules of the game to a successful strategic plan?

A strategic plan will require the input from a variety people, including municipal staff, councillors, concerned citizens, business people, etc., which will form part of the Strategic Planning Team (see Part III, Step 1.1). One aspect of this process the members of the Strategic Planning Team should recognize is the Team will consist of individuals with divergent interests, points of views and concerns. In addition, there will be members of the team who will be resistant to organizational change. Assuming the team will be able to obtain full agreement on every issue would be a mistake, for it should be difficult if not near impossible for such a group to agree 100% on every issue. Therefore, the Strategic Planning Team should start the exercise with the notion of building a consensus on each issue. That means, each individual may not fully agree on each point, but the team should strive toward a point which each team member would be able to live with the final decision. This will require some give and take from all individuals as they work from divergent points of view, to a middle ground. Many times, all that is required are subtle changes to the wording.

Confidentiality

If disagreements between members of the Strategic Planning Team

do arise, the team should determine how this should be presented to the public. The team may decide that there should be a degree of confidentiality, where the detailed discussions should remain in the confines of the group, and admit that the members have agreed to disagree on specific points. The goal is to build a good working relationship amongst all members. No one likes to see the "airing of dirty laundry in public."

Respect for other s views

Following from this point, there is a need to respect everyone's point of view. Members may not agree with each other, but everyone is entitled to their point of view and this needs to be respected.

Keep an open mind

The Strategic Planning Team members must be open minded and willing to listen and discuss these divergent views. Alternatively, if there is "too much agreement" on the issues, the team may wish to examine opposing points of view to encourage a full discussion of all issues and to further the creative problem solving process. The result will be a Strategic Planning Team which will work well together and encourage full participation from all members.

By following these simple rules, the Strategic Planning Team should be able to work effectively, efficiently and complete the work within a reasonable time frame.

Finally, as a committee of the municipality, the Strategic Planning Team should be aware that their minutes, notes of discussions and work may be accessed under Part XX of the *Municipal Government Act*, Freedom of Information and Protection of Privacy Act.

Part II - Organizational Aspects

Prior to commencing the strategic plan, there is some preliminary work that needs to be completed, dealing with the identification of potential participants of the process and a variety of organizational aspects. This would ensure the process gets off and running without the team having to deal with a number of managerial issues.

Organizational Aspects to Consider for the Strategic Plan

Dealing with the early organizational issues can save time in the long run.

While many of the organizational issues will be addressed in the following sections, a few of the preliminary items to consider would include:

- Assure the funding, disbursement and accounting arrangements are in place to take care of printing costs, office supplies, consulting costs, etc.
- Appoint key municipal staff and clarify their responsibilities in this process. If staff has other responsibilities, clarify their time allocations and availability.
- Establish policies about what decisions are to be made at each level.
- Determine what additional staff and/or stakeholder time may be needed. Will data processing be required? Who produces, copies and sends out the reports?
- Establish where the work will be done and what equipment is required.
- Establish a regular meeting schedule. This is especially important for civic, political and business leaders.
- Determine whether consultants will be required. If they are, the municipality must adhere to the procurement processes.
- Collect available reports, data and other material for the project.

Identify the major stakeholders to the process.

Who should be involved in the Strategic Planning Process?

The key decision makers in a municipality cannot prepare a strategic plan in a vacuum. Rather the major stakeholders must be included in the discussions. This would include customers (interested members of the public and interest groups), councillors and the mayor or warden, municipal managers, employees and unions.

This overall balanced approach to forming a Strategic Planning Team is critical for its success, and each municipality will have to strike the right balance to ensure all major parties are involved. This provides for a collaborative and interactive process at all levels. Consider the following:

- *Leadership doesn t stop at the top.* Leadership at the top levels is important, but leadership by employees in solving problems is equally important to contributing to a successful organization.

- *Listen to your customers and stakeholders.* What is really important to them? It may not always be the same as what the managers and elected officials may think.

- *Listen to your employees and unions.* The employees have the historical knowledge and experience at the day to day operations level. This information and expertise can be very influential to obtaining achievable results from a strategic plan.

  With respect to unions, their mandate is to protect and forward the interests of their membership. If union membership is significant in the municipality, their involvement may be critical to the final success, as it ensures the employee's interests are represented as well as a "buy in" on the process and final results. This principle is especially critical in achieving culture change within an organization.

The rationale for including a broad-based committee is two fold:

- Those who are consulted about the plan will take a greater interest and may adopt all or part of it as their own.

- The plan will reflect a broader spectrum of viewpoints and a wider range of resources if more people have an opportunity

to contribute.

Keep the numbers of the strategic planning team manageable.

Obviously, a municipality cannot include all of the interested parties or stakeholders. The Strategic Planning Team must be a manageable group and as the number of participants increases the process is likely to become more unwieldy. Similarly, the greater the diversity among the participants the more time-consuming it will be to reach a consensus. Therefore, tradeoffs will have to be made during the selection process to encourage key participants to join the Strategic Planning Team, based on time and budgetary constraints of the process. It has been suggested if the numbers are to be limited at the outset, consider which individuals might be in a position to veto or block the implementation of the strategy (high-ranking officials and policy makers). These are the people to include at the outset in the Strategic Planning Team. Generally speaking, the Strategic Planning Team should not be more than 15 members. The Strategic Planning Team should also be large enough to operate at two-thirds in full attendance. The appropriate roles for this committee will include the following:

- Develop or approve a list of key issues to be addressed in the planning process.
- Review the draft reports.
- Assist in the identification and allocation of resources, both for the planning effort itself and for the implementation of results.
- Deciding initial issues such as the area to be addressed and major areas of concern.
- Divide up implementation responsibilities among participating organizations.
- Develop or endorse broad goals and at some later point broad strategies.

If there are a large number of people who could make a considerable contribution to the process but could not be part of the team due to size considerations, they should be considered for the various working committees. The size and number of the working committees will be dependent upon the breadth of the strategic plan and the issues to resolve.

Part III - The Strategic Planning Process

The Strategic Planning Steps

There are seven basic steps in preparing a strategic plan, which are as follows:

The seven simple steps to completing a strategic plan.

Strategic Planning

1. Getting Organized
   - Striking a Strategic Planning Team
   - Setting Organizational Framework
   - Identifying Municipality's Mandates

2. Clarifying Values and Mission
   - Stakeholder Analysis
   - Municipality's Values
   - Municipality's Mission Statement

3. Assessing the Situation
   - Situation Assessment
   - SWOT Analysis (strengths, weaknesses, opportunities and threats)
   - Identifying Strategic Issues

4. Strategic Plan
   - Formulate Strategies
   - Integrating Strategies to Strategic Plan
   - Municipality's Vision Statement
   - Evaluation Process
   - Prepare Document

5. Adopting the Strategic Plan

6. Implementation
   - Formulate Implementation Process

7. Strategic Issue Management
   - Reassess Strategies and Strategic Planning Process

Step 1: Getting Organized

1.1 Striking a Strategic Planning Team

The question of who will be the person or group to initiate this process is key, for they will identify the persons, groups, organizations, etc. who will be involved in the process. In the municipal setting, it has generally been the Town Manager or CAO to initiate the process.

The identification of potential team members will require a preliminary stakeholder analysis. Once the Strategic Planning Team has been selected, they will be assigned the task of setting the parameters of the study, which must be approved by the various key decision makers of the municipality. Generally, a strategic plan should only encompass those parts of an organization or topics that are under the control of or strongly influenced by the members of the Strategic Planning Team, otherwise the commitment to institute the plan can become a major obstacle for its implementation.

Use Worksheet #2 to identify potential members of the Strategic Planning Team. These sheets may also be used to determine, who should be involved in the working committees (if required).

Who are the stakeholders and potential members of the strategic team?

A list of possible participants for the final selection of the Strategic Planning Team could include the following:

- Elected Officials
- Chief Administrative Officer/Municipal Clerk
- Business Leaders and/or Chamber of Commerce
- School Board or School Officials
- Representative for local education/research institutions
- Neighbourhood representatives
- Civic organizations
- Local government department heads
- Union Leaders
- Executives of independent nonprofit institutions
- Special Interest Groups
- Religious Leaders
- Provincial and Federal Leaders
- Local media executives or representatives

1.2 Setting the Organizational Framework

Ensure the team members understand the strategic planning process.

Having set the Strategic Planning Team, the first priority is to ensure that the members have a common understanding of strategic planning and management. It may be useful to distribute a copy of this document, or refer members to many of the various sites on the web on strategic planning or to a few of the books in the reference section.

Briefing the team about strategic planning can be carried out in an evening with a general discussion of the topic, and review the steps in the process. Or the team may wish to invite an outside consultant or members of Strategic Planning Teams from other Nova Scotian communities which have completed a strategic planning project to assist in the first few sessions.

Delineate the parameters of the study.

As the planning team begins to delineate the parameters of the study some of the questions they must answer include:

- Who will lead the strategic planning process?
- What are the role and function of the staff and/or coordinator?
- Who should be involved at various stages of the process?
- What are the purpose and focus of the strategic plan?
- What is the geographical area of the plan?
- What will be the preferred steps in the process?
- What resources will be needed to get the job done?
- What is the time frame of the process?

The answer to these initial questions will help the group organize themselves and focus on the main issues of embarking on the strategic process. In the first step all of the issues will not be completely identified or resolved and the list will require further modification as the group proceeds through the strategic planning process. One thing that must remain clear to all participants is that this is an ongoing process, which should go through a number of cycles as it evaluates and identifies additional critical areas of concern. In other words, do not expect major breakthroughs in the first few steps.

Develop a work plan with achievable time lines.

At this stage, the team needs to develop a work plan to guide the project participants. A draft work plan on Worksheet #1 provides a guide for the whole process and may be used to scope out the strategic plan. The work plan can be an invaluable tool in determining time frames, resources required, tasks for the work

committee, etc. Generally, a Strategic Plan can take twelve to twenty working days spread over a six to twelve month period, depending on the breadth and complexity of issues to be addressed.

It may also be useful to use this information to map out the time lines on a Gantt Chart. These charts can provide a visual reference to determining the length of each step and the whole process. It also provides an effective reference throughout the process to determine if the team is on track and when you should start planning for future tasks. Worksheet #3 illustrates how a Gantt Chart may be set up for your process.

1.3 Identifying the municipality s mandates

What functions does a municipality perform?

This step is often not included in most of the other strategic reviews, however, it can be a fairly important starting point. Typically, few members of any organization have ever read the legislation, ordinances, charters, etc. that determine the organization's official mandate. Therefore, they have made two typical mistakes:

What is the basic legislative framework for our municipality?

- By not knowing what an organization must do, they are unlikely to do it.
- By not understanding the legislative background, they may believe they are more constrained than they actually are.

By doing this initial review of the basic legislative framework, a municipality would be better able to understand what constraints there may be on their actions and the limitations or lack of limitations for their strategic plans. Worksheets' #4 and #5 provide an outline for performing this task.

At this step, the team may wish to include the municipality's solicitors as a resource for any questions the Strategic Planning Team may have on the municipality's charter, policies and by-laws. Questions concerning the Municipal Government Act and other provincial legislation may be referred to your solicitor.

Step 2. Clarify the municipality s mission and values

What is the municipality s mandate?

The mission statement is not a difficult component of the process but it is an essential step, because it clearly documents the purpose

of the municipality. When developing the mission statement the team will be responding to the question, "what is the municipality's mandate." It needs careful articulation and communication. A mission statement helps to channel and direct strategic planning and management efforts and therefore, assists all participants in understanding the challenge. The mission statement should be no more than a paragraph or even a slogan. This process should involve a detailed discussion about the municipality's identity, purpose, the desired response to the stakeholders, and the municipality's philosophy and values. These discussions will temper the future of the strategic plan and many of the ideas, concepts and visions discussed at this stage will most likely become recurring themes throughout the process influencing the final vision of the strategic plan, and in turn the municipality.

What kind of municipality do we want?

In other words, "what kind of municipality do we really want in the future?" The agreement on the purpose of the municipality provides the avenue for the municipality to follow a sequence of conflict resolution activities, which is to agree on purposes, identify problems and then explore and agree on solutions. By understanding the municipality's philosophy, values and culture, it is less likely to make serious errors in formulating subsequent strategies to fulfill its mandate and mission.

Expect the completion of the tasks in this step to evoke considerable debate amongst the Strategic Planning Team. Therefore, in developing the work plan, do not scrimp on the allocation of time, as several hours of debate could quite easily evolve at this stage. It would also be unwise to limit the debate on this stage, because its importance to the overall process cannot be overstated, as the results from this step will temper the subsequent steps in the Strategic Planning Process, as outlined in Worksheet #1.

2.1 Stakeholder Analysis

Who are the stakeholders?

The essential aspect of the mission statement is to reflect the stakeholder's concerns, as the key of the success for a municipality is the satisfaction of the key stakeholders. Therefore, prior to completing the mission statement, a stakeholder analysis is required. The first few steps of this process require the Strategic Planning Team to identify who the municipality's stakeholders are, what their criteria are for judging the municipality's performance (eg. what is their stake in the municipality or its output), and how well the

municipality performs according to those criteria from the perspective of the stakeholder. In addition, the group may also attempt to understand how the stakeholders influence the municipality. Worksheets' #6 and #7 provide some of the basic questions to answer to identifying the various stakeholders.

What is their relationship to the municipality?

Once all of the various stakeholders have been identified, it may be a useful exercise to use this information to rank all of the stakeholders in terms of importance or influence. This exercise should foster a better understanding of the various stakeholders in terms of size and interests, and to identify those with the greatest needs.

2.2 Municipality s Values

The stakeholder analysis forms the basis for viewing the municipality's values. This step helps in clarifying the municipality's relation to the stakeholders in respect to their expectations and assessments of the municipality's performance. This is a necessary step to the formulation of the Mission Statement and the analysis of the municipality's strengths, weaknesses, opportunities and threats.

Determine the municipality s values by answering six questions.

Worksheets #8 and #9 identifies the six questions that need to be answered:

1. Who are we as a municipality?

   In defining this answer, draw a distinction between what the municipality is and what the municipality does. The common error is to define an organization by what it does, and as a result important avenues of strategic response to issues are not pursued. Bryson in his book points to an excellent example of this, at the early part of the century. The railroads only saw themselves in the business of railroads, rather than as transportation companies which happened to be in the railroad business. When the automobile and trucking business began to emerge they found it rather difficult to compete because they were unable to make the paradigm shift.

2. Our municipality must respond to what basic needs or problems? (For example: social, business, protection, education, urban and rural development).

The answer to this question provides the basic social justification for the municipality's existence, which is to meet the needs and address the problems of its stakeholders. Thus the municipality must be viewed as a means to an end and not as an end in itself.

3. What does the municipality want to do to recognize or respond to these needs or problems?

   The purpose of this question is to encourage the municipality to respond to the stakeholders' needs and the issues it should address. The problem with many organizations is that they lose touch with the people they are supposed to serve, tending to rely on their own interpretation of the issues and how to deal with them. Therefore, the municipality must be encouraged to maintain a meaningful dialogue with its stakeholders.

   This dialogue with the stakeholders is more likely to encourage a constant review and refinement of the municipality's mission, mandates, service levels, financing, management and managerial structures and enables the municipality to remain an effective organization. Generally speaking, most changes to an organization are a result of responding to outside influences and needs.

4. How should the municipality respond to the key stakeholders?

   In answering this question, the municipality must decide what relationship it wishes to develop with each of the stakeholder groups and how it wishes to deal with their issues and concerns. This also prompts the initial discussions on potential strategies, which will be addressed in greater detail in Step 4.

5. What is the municipality's philosophy and what are the municipality's core values?

   When a municipality is unclear of its philosophy or core values, strategy development becomes more difficult, especially if the desire is to obtain achievable results. For example, if a municipality develops a strategy because it

sounds like the right thing to do and it believes that is what the stakeholders wish to hear, but it does not truly intend on dealing with the issue, then the strategy is valueless and it calls into question the whole process.

6. What makes our municipal government structure distinct or unique?

At one time this would have been relatively easy to answer because municipal government's structure, function and services had been relatively stable. In the last decade, however, municipal governments have gone through a number of transformations with provincial/municipal government restructuring, out sourcing of some municipal operations and with private and nonprofit organizations offering some similar services. As this environment becomes more competitive, those organizations that cannot provide a distinct advantage or contribution may lose out.

2.3 Municipality s Mission Statement

What is the *raison d être* for the municipality?

After completing the Stakeholder Analysis and the Municipality's Values worksheets the Strategic Planning Team may begin the draft of the Mission Statement. The Mission Statement provides the *raison d être* for the municipality. It should focus on the end result the municipality hopes to attain with less emphasis on an activity. Once the group has identified a number of points it wishes to express in the Mission Statement the Team may wish to shorten it to a slogan which captures the essence of what the Team wishes to accomplish or express, as it will provide guidance for the direction of the remaining process. Do not expect quick agreement on the Mission Statement, and if it becomes apparent the Team is not making any progress on this step, move onto the next phase of the process and come back to it at a latter date. As the team progresses through the next steps, it may wish to reexamine and refine the Mission Statement with more detail in terms of specific programs, services or relationships that may evolve in the strategy formulation with its stakeholders.

The Mission Statement will become useful in the formulation of goals, identifying strategic issues and plans, and as a basis to resolve conflicts within the group, that is, "do they reflect the Municipality's

Mission Statement?" It may also be a useful tool to ensure the Team remains on course and does not drift beyond the scope or the purpose of the strategic plan.

Examples of Mission Statements

Government Mission Statements

City of Fredericton

"Working together to serve our customers in an effective, efficient, professional and financially responsible manner."

City of Grand Prairie, Alberta

"Helping to make Grand Prairie 'The Greatest Place To Be' by providing, supporting or facilitating municipal services that meet community needs and enhance quality of life for all."

Department of Housing and Municipal Affairs, Nova Scotia

"Leadership and service in support of effective local government, adequate, affordable housing, equitable property valuation, and an integrated land information system."

Organization Mission Statements

Institute of Public Administration of Canada (IPAC)

"Dedicated to excellence in public service"

Canadian Institute of Planners

"The Canadian Institute of Planners represents and supports professional planners in Canada and is the national advocate for the growth of health, sustainable and liveable communities created through effective planning."

Association of Municipal Administrators (AMA), Nova Scotia

"The Association of Municipal Administrators, of Nova Scotia sees as its mission, the improvement of the quality of local government administration in the Province of Nova Scotia by:

- playing an active role in the identification and development of educational programs for its members;
- providing forums for exchanging ideas;

- providing a respected resource to municipal elected officials in this province;
- providing services to its members to improve their professional capabilities;

Step 3: Assessing the Situation

3.1 Situation Assessment

What is the existing situation of the municipality?

Before the municipality can start the SWOT analysis and make choices about the strategic plan, it is important to have a complete understanding of the existing situation of the municipality. This section, provides details on how to prepare a comprehensive assessment of the physical, economic, social, cultural and organizational environment of the municipality. To a large degree, each municipality should have most of this information available, for example Municipal Planning Strategies, land use by-laws, engineering servicing plans, recreation plans, etc. What is needed is to compile the information for the Strategic Planning Team. If the information is not available, this step may involve a fair amount of work, which to a large degree may be compiled at an early stage by the municipal staff prior to starting the process. The other aspect of this section, is that it will encourage involvement from the various departments of the municipality in the strategic planning process, as they prepare and present this material to the Strategic Planning Team. Otherwise the Strategic Planning Team could be divided into workgroups, each responsible for collecting the information for each of the sections.

Worksheets' 11, 12 and 13 provide a suggested listing of the types of information which could be useful for the Strategic Planning Team. To a large degree the level of detail of this step will be determined by how comprehensive the strategic planning process is to become.

- **geographical features,**
- **development patterns,**
- **land use and zoning,**
- **recreation and open space,**
- **roads, water and sewer lines**

1. Physical Environment

"A picture is worth a thousand words," and when dealing with a municipality, proper maps are critical to promote a better understanding of the issues and the interrelationship between various elements of the municipality. There should

be two series of maps, the first series should include only the limits of the area which will be affected by the strategic plan. This series of maps will include all of the detailed data (physical, economic, social and cultural information) and, urban and rural planning strategies. A second series of maps should include a larger area of the surrounding communities or areas which have an impact upon the study area and vice versa. The second series of maps do not need the level of detail of the strategic planning study area. Rather, they are to provide a context for first series of maps and to facilitate discussions for the SWOT analysis.

There should also be extra maps produced which can be used as working sheets, which members can draw on to facilitate discussions.

If the municipality does not have the maps they require, they may wish to contact the Land Information Services at the Service Nova Scotia and Municipal Relations.

2. Economic Environment

- **economic base**
- **resource base**
- **commercial retail, office, industrial and residential development**
- **tourism**
- **trade area**

The economic environment data should be available from a variety of sources, for example, the planning/development departments, Business Improvement Districts, Regional Development Agencies, at the Federal Government (Statistics Canada, Canada Mortgage and Housing Corporation) or at the Provincial Government (Agriculture and Fisheries, Community Services, Economic Development, Environment, Natural Resources, Tourism and Culture, Transportation and Public works, and Service Nova Scotia and Municipal Relations).

For those items where detailed information is not available, the Strategic Planning Team will have to determine how important the information is to their study and whether it would be worth the time, effort and cost to acquire the information. Assistance in making these decisions should be available from the appropriate departments at the municipal, provincial and federal levels of government.

Some of the information should be relatively easy to transfer to some of the base maps prepared in the previous section.

This would facilitate more productive discussions.

3. Social Environment

- **population profile**
- **labour force**
- **social services**
- **community groups**
- **community facilities**

Similar to the economic environment section, the information should be available from a variety of sources, especially at the municipal, provincial and federal levels of government. Worksheet 12 provides a listing of the topics which may be reviewed.

4. Cultural

- **historic sites**
- **museums**
- **schools**
- **universities and colleges**
- **theatres**
- **libraries**
- **festivals**

The purpose of this section (see worksheet 12) is to identify cultural aspects of the community which could be utilized by members of the community and to attract visitors from outside of the community. The sources of this information should be the municipality, local historical or cultural societies, the federal and provincial departments of culture and tourism.

5. Municipal Organization

- **government structure**
- **services**
- **resources**
- **finances**
- **staff expertise and resources**

The purpose of gathering this information is to better understand the municipal organizational structure and how it works (see worksheet 13). For example, is there a Chief Administrative Officer or Council Committee structure for administration of the municipality? What are the various municipal departments and what is the reporting structure? What talents and expertise do the staff posses? What resources are available at the municipality, in terms of equipment, land and staff? What are the financial and resource limitations of the municipality? By developing a greater understanding of the resources available at the municipality, it is easier to formulate and realize achievable strategic plans.

- **business community**
- **environmental groups**
- **cultural groups**
- **service and community organizations**

6. Interest Groups

The Stakeholder Analysis of worksheet 6, may have identified many of the important interest groups. This

section is to ensure that all groups are specifically identified. This is to better understand how a strategic plan may affect them as well as how they may try to affect the strategic plan. Therefore as a result of the identification, they can be either consulted or brought into the strategic planning process.

7. Surveys

What are the views and concerns of the stakeholders?

Surveys are an invaluable method of soliciting views, concerns, issues and ideas from the various stakeholders. Furthermore, surveys provide an excellent forum to educate and inform stakeholders of the nature and purpose of the strategic plan and to enlist their support. In many ways, this step may be key to the final success and acceptance of the strategic plan, because without this support, implementation of the strategic plan becomes less assured. The scope of the strategic plan will determine the extent of the surveys.

If surveys are to be conducted, the Strategic Planning Team needs to develop a list of topics or key issues to initiate the consultive process. The information gathered to this point should provide the team the ability to identify five to ten key issues. The questionnaires, interviews, focus groups and public meetings can start with the introduction of the purpose of the process, then obtain the participant's views on key issues and then proceed to solicit further views. It is strongly suggested that the Strategic Planning Team not rely on just one method of obtaining information from the public. Rather, use a combination of two or more of the methods identified.

Questionnaires:

> A survey, if based on a random sample within the municipality, can provide a reasonably accurate means of measuring the opinions, attitudes, concerns and ideas from the general populous or specific groups. There are two basic methods, either a telephone survey or a mail-out survey.
>
> If you have ever been the recipient of either type of survey, you will understand, they should be short, to the point and easy to answer. Similarly, from the

Strategic Planning Team's perspective, they should be easy to tabulate and analyze. Therefore it is suggested they use predominately closed questions, where there is a list of possible answers from which the respondent must choose. Open questions, where the respondent must answer a question in their own words, are more difficult to transcribe or paraphrase into a useful form and to analyze, therefore they should be used minimally.

The order of the questions can also be important. Keep the questions which can be answered quickly and easily at the first, to allow the respondent to become comfortable with the questionnaire. The more difficult or complex questions should be toward the middle and end of the questionnaire.

The number of surveys to be conducted depends on the size of the community. It needs to obtain some meaningful results within a limited budget and should be defensible by the team. In regards to the telephone interviews, experience has shown it is better to hire people to conduct the interviews rather than to rely on volunteers. Senior high school or university students have often been suggested for such situations.

Finally, the surveys should also include a brief description of the purpose of the strategic plan and how it may relate to the participants.

It is strongly recommended that prior to conducting telephone surveys or sending out questionnaires they should be tested on a sample audience and reviewed by someone with experience in survey techniques.

Interviews:

If the Team plans to conduct interviews, there should be two sets. The first group should include the major politicians (include the three levels of government) and may include major government representatives whose departments or programs have a direct impact upon your municipality. The second group should

include the key individuals in the community, who have a high profile and are active in community affairs. These individuals do not have to be limited to any particular group, association or level of government and might include local business people, social activists, retired politicians or anyone who is actively involved in community affairs and local issues.

The interviews should begin with a short review of specific topics concerning the issue at hand. The focus of the discussion should deal with the problems, prospects and positive features of the community and solicit ideas or suggestions for the future of the community from the interview. The interviewer should take notes throughout the interview and summarize in point form immediately after the interview. The interview should not last much more than one hour.

Focus Groups:

A focus group is another name for a group interview or group discussion, where there is a focus on a particular topic. They usually involve putting together a group of seven to ten individuals in a meeting which should not last longer than two hours. With the guidance of a facilitator, the group reviews a series of questions relevant to the issue identified. Through this method, you can develop a better understanding of the range and depth of opinions, beliefs and ideas from a target group. This in-person setting permits the exploration of unanticipated issues or problems that people raise, and draws out detailed responses. The individuals for the focus group are usually chosen because they represent a target group you are trying to reach to understand. In order to ensure a better representation, three to four focus groups should be conducted.

Normally, a trained facilitator is required to ensure the discussion covers the main points of interest and remains focused on the main issues. The meetings are either recorded on audio tape for transcription

and analysis, or there is an individual to take detailed notes. Focus groups are a qualitative research technique and are often used prior to a more quantitative analysis. For example, the information gathered from a series of focus groups may be used as a basis for the design of a questionnaire.

The weakness of conducting focus groups is that they do require a facilitator who has been trained or has experience in focus groups. The transcribing of the information gathered and its organizing, categorizing and analysis can be a daunting task. Although the focus groups can provide detailed information and be extremely useful, they may not be representative samples of the population and therefore should be interpreted cautiously.

Public Meetings:

Public Meetings may be the most effective way to introduce the strategic planning process, purpose and goals to the widest audience and obtain direct feedback at one time. It is also an opportunity to introduce the members of the Strategic Planning Team to the public and review the preliminary issues identified by the group.

Similar to the focus group, there is a fair degree of preparation required. The first priority is to determine the location, time and date of the meeting. If this includes a larger geographical area, more than one meeting should be scheduled. The meetings should not be longer than two hours and one hour would be preferable. There should be at least two weeks between advertising for the meeting and the actual dates. This would also be an excellent time to try to get some articles in the local papers on the strategic planning process to create an awareness. An agenda should be prepared to include; introduction to the team; what is strategic planning, purpose of strategic planning for this community; time frames; preliminary issues; question and answer sessions; and, a session which should allow the public to forward their ideas, concerns, potential for the

area, etc.

It would be preferable if there was a handout for the meeting covering these main points, the Strategic Planning Team's names and contact numbers. This also provides an opportunity to include a questionnaire. If the strategic plan is limited to a specific area, provide a map of the area and provide the rationale for this geographic area.

It may also be worthwhile obtaining the names and addresses of the audience so that further mail outs can be sent out. There should also be someone at the meeting to take minutes, ensuring the names of the participants and their comments are documented.

3.2 SWOT Analysis

What are the strengths, weaknesses, opportunities and threats to a municipality?

At this step, the information gathered in the previous steps is organized and analysed through the SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats). This provides information on the organization's strengths and weaknesses in relation to the opportunities and threats it faces (see worksheets 14 to 17). The Strengths and Weaknesses of the SWOT analysis generally refer to the internal present state of the organization, while the Opportunities and Threats are generally external and future oriented. For a municipal situation, however, the distinction between internal and external factors is not as meaningful as it is for private business because the municipality serves a more encompassing group of stakeholders, who are generally participants in the municipal governing experience.

As Bryson has noted, some communities have focused on their "hopes and concerns," rather than doing a SWOT Analysis. In addition, by focusing on the hopes and concerns, the strategic team is more likely to evoke value concerns, which are usually more important to a community-oriented strategic planning process. The decision to do a SWOT analysis or a "hopes and concerns analysis" will be for the Strategic Team to address, however, most methodologies for a strategic plan do focus on the SWOT analysis.

The strengths and weakness' review should be made with as much

objectivity as possible because if the realities of the municipality and the government organization are not reviewed honestly and openly the realization of the strategies may be severely limited. It is difficult to learn about ourselves if we are not willing to be critical of our own behaviour. Therefore, at this juncture of the process the Strategic Team Members must be willing to check their egos and concerns about protecting their "own turf" at the door, and be willing to have very frank discussions.

The major purpose of any strategic planning is to view and understand the various future oriented threats and opportunities that may prompt an organization to respond before it becomes a crisis. However, any effective response to these threats and opportunities require a thorough knowledge of the internal organization's strengths and weaknesses. Therefore, strategic planning is concerned with finding the best or most advantageous fit between an organization and its environment.

There are four techniques to completing a SWOT analysis?

There are a variety of techniques that may be employed to complete this section; individual analysis; subgroup analysis; "organizational highs, lows and themes" exercise; and the "snow card" technique. It should be noted, this step may require more than one meeting because of the amount of information to cover.

Individual Analysis:

Individual Analysis involves compiling a SWOT list individually, then meeting as a group to discuss.

A first cut at defining the SWOTs for the municipality may be undertaken by the individuals of the Strategic Team, using the worksheets 14 to 17. After individually creating these lists, the members meet and each member goes over their findings, observations and conclusions.

At the meeting, a facilitator will be required for the review of the individuals lists. Each of the strengths, weaknesses, opportunities and threats should be dealt with separately. Usually, it is quite helpful if the items are listed on the wall, so that they are visible to all members. If an item has been raised by one individual, there is no need to repeat it. The facilitator should keep the discussion focused on each issue at a time and keep the discussion moving at a good pace because there should be a lot of ground to cover. Upon reviewing all of the lists, a final list should be prepared with

items modified or expanded as necessary.

It is common to have an item which may be listed as both a strength and a weakness or an opportunity and a threat. For example, it is determined that many people prefer to shop in another community, this would be perceived as a threat, however, it could also represent an opportunity, because what they want to shop for is not available in your community.

The advantage of this method is that individuals are less likely to be constrained by comments or ideas of other team members and it may facilitate a greater flow of ideas. The disadvantage of this method is that the ideas of one are often the spark needed by others to follow through on another direction.

Group Analysis:

Group Analysis involves working through the SWOT analysis with four or five sub-groups.

In this instance, rather than doing the work individually, the Strategic Planning Team would divide into four or five groups and compile the list of strengths, weaknesses, opportunities and threats using the attached worksheets. Otherwise this method remains the same as the individual analysis, except a group spokesperson would review the group's findings.

The primary advantage of this method is one of time, as it could speed up the process.

Organizational Highs, Lows and Themes

Organizational highs, lows and themes involves working as a group and reviewing what the municipality did in the past.

For an organization, it is sometimes helpful to first look to the past for what was good or worked well and what was not so good or did not work so well, before you can look to the future. As a result, the Team should focus on what the municipality should do differently so as to not repeat the same mistakes. This method was first devised by Kouzes and Posner.

The Strategic Planning Team will need a room with a large wall (or black board) which can be covered with large sheets of paper to make one large sheet. This should be divided into top and bottom halves, representing the highs and the

lows. At the far right draw a vertical line to represent the date for today, at the far left-hand side draw a similar line representing how far back the team wishes to go back (usually five to ten years).

Each member of the Strategic Planning Team should then begin to list on small pieces of paper all of the municipalities "highs" and "lows" within the time frame. This could include the arrival or departure of successful and not so successful leaders, successful or unsuccessful management programs, useful or disastrous innovations and so on. Each item should be dated, and labelled as a high or low and placed accordingly on the wall sheet. The group then identifies common themes relating to the highs and the lows or to both. The themes are analysed in terms of the following questions:

a. What strengths have the municipality relied on to deal with threats, to take advantage of opportunities? Which were ignored?
b. What weaknesses have the municipality had in dealing with the threats and opportunities? What has been done about them?
c. What opportunities have the municipality had? Which were taken advantage of, what ones were the municipality unable to take advantage of and which ones were ignored?
d. What threats did the municipality deal with? Which were handled successfully, unsuccessfully and which were ignored?

Through the answers to these questions, the Team should identify patterns on the relationship between the strengths, weaknesses, opportunities, threats and themes. In particular, pay close attention to what the municipality's strategies have actually been rather than what has been voiced in official statements. Based on the previous history, the Team should project what they would like to see in the future and what new themes the team would like to see.

The snow card method provides a format for an organized group brainstorming session.

Snow Card

"Snow Card" method is a form of organized brainstorming, where the brain stormed points are listed individually on

separate sheets of paper (snow cards) and then grouped into categories according to themes (snow balls). There would be four rounds of consideration for the strengths, weaknesses, opportunities and threats.

The Strategic Planning Team can either work as a whole group or break into sub-groups or four to five people. The Team would brainstorm on one of the SWOT issues, listing their ideas on a worksheet. Upon the completion of this list, the team would review the items and pick the best five to ten items for that round. After repeating this process for the four rounds, the team would write the items on separate pieces of paper or cards. The cards are collected and attached to the wall, clustering the cards with similar themes (snowballs). The team should agree on what the theme or category name should be for each group. As the team discusses the various clusters, they should determine whether they are a good fit, whether there are other subcategories and if there are any linkages from one category to another. The various snow balls should be arranged in order of priority. This can be achieved through a group discussion of the "snowballs." Alternatively, each of the members of the team could be given seven to ten dots and be asked to place one dot on each item they consider to be the important. Once the issues have been ranked, the cards should be collected and prepared in the SWOT categories, in order of importance.

The main point to remember in this section is to attempt to keep the analysis simple. Otherwise, there is the greater potential to get bogged down in completing the assessments. If the discussions do start to loose their focus, the group may wish to examine some of the work they have already completed, with respect to the municipality's mandates, stakeholder analysis, the municipality's values and mission statement to bring the item back into focus. The other important factor is to realize this SWOT Analysis is to promote group discussion and the facilitator should ensure all participants are involved in the discussions.

3.3 Identifying Strategic Issues

What are the strategic issues facing a municipality?

Who considers them to be an issue?

Why is it an issue?

What are the consequences of not addressing the issue?

The identification of the strategic issues is a milestone in the strategic planning process, because once the Strategic Issues have been identified, the path to completing the strategic plan will become much clearer and easier to follow. This is perhaps the most exciting stage as well, because you can expect good healthy debates, especially with respect to setting the priority of the strategic issues. The important point to remember at this stage is to remain focused on the identification of the strategic issues, not on their resolution because that is the next step. Many problems in management arise because they start focusing too early on the potential solutions to a problem, without truly understanding the problem. Consequently the arising strategies will not fully address or resolve the issue. Like the earlier stages, this step needs a facilitator to keep the process moving and on topic. It also suggested that this step take place no more than two weeks after the SWOT Analysis, while it is still fresh in the Strategic Planning Team's minds.

Worksheet 18 provides an example on how the Strategic Team may identify the main issues. The first priority is to ensure this is an issue the municipality can do something about. Otherwise, it is not a strategic issue for the municipality, rather it would be an issue for another organization, for example the provincial or federal levels of government. In the previous sections, the methods outlined as the Individual Analysis, Group Analysis and Snow Card methods may provide an appropriate forum to the identification of these issues.

Test to see if the issues are strategic or operational?

Worksheet's 19 and 20 provide a quick and easy test on the issues to determine whether the strategic issues identified are truly strategic issues or operational issues (those issues which can be handled by the existing departments within the municipality with minimal difficulty). This testing may also be useful in determining a priority of strategic issues to be resolved.

The team may wish to review the list of strategic issues with Council and/or the public for feedback.

At the end of this stage, the Strategic Planning Team may wish to consider presenting the Strategic Issues to either Council or at another Public Meeting. The rationale for this is twofold, it keeps the public and Council informed on the process and it provides a forum to discuss the relevancy and ranking of the issues and whether the public or Council agrees. If there are major differences or other issues identified, the Strategic Planning Team has the opportunity to reevaluate their issues and if necessary modify them. In the long

term, this will also increase a greater "buy in" or acceptance of the work of the Strategic Planning Team.

Step 4. Strategic Plan

4.1 Formulate Strategies

The five steps to formulating strategies.

At this stage, the Strategic Planning Team must deal with the strategy formulation to deal with the strategic issues. The process of formulating strategies consists of five steps, these are:

1. Identify the practical alternatives or visions the municipality might purse to address this strategic issue. For each strategic issue there may be more than one alternative to resolve the issue or vision on what would be desired. At this stage the team is encouraged to be innovative and unrestrained in their formulation of dynamic alternatives and visions. The next steps will determine whether they are realistic or attainable. (Worksheet 21)

2. Identify the barriers to the realization of these alternatives or visions. As innovative or dynamic the alternatives or visions may be, this step provides a "reality check." What would prevent the attainment of these alternatives or visions? These barriers could include for example, lack of resources (economic and expertise), physical constraints, conflicts with other municipal goals and objectives. (Worksheet 22)

3. Identify the major proposals the municipality might pursue to either achieve the alternatives or visions, or to overcome the barriers to their realization. In other words, are these proposals achievable by the municipality? (Worksheet 23)

4. For those proposals which are achievable, identify the actions which existing staff must undertake to implement these major proposals. The resulting action plan should be a self contained worksheet for each strategy or proposal. It should provide:
   - a detailed description of the project;

- the intended outcome;
- which section of the municipality will be responsible for its completion;
- a listing of the resources and actions required to complete the task;
- the potential impact upon other strategies; and
- a proposed timetable for the strategy.

The completion of this step should involve representation from the municipal departments or organizations responsible for the completion of this initiative. (Worksheet 24)

5. Identify the steps the staff must take within the next six months to commence implementation of these major proposals and ensure the assignment of the areas of responsibility. (Worksheet 25)

Throughout this part of the process, it is important to remember what resources the municipality has and will require to undertake these new programs. Without the proper resources, the realization of these goals will be extremely difficult to achieve.

In using the above five step process, the snow card technique may be used to generate the responses. As Bryson noted, there are five advantages to using this method. It allows for relatively large groups to become involved in the process. Second, it keeps people from immediately jumping to final solutions, without examining all possible alternatives. Third, it keeps people from over evaluating their ideas and keeps a balance between idea creation and evaluation. Fourth, it encourages people to focus on where they are and where they would like to be. And fifth, the participants must deal directly with the implementation problems directly.

In using the five step process, a number of potential conflicts within the Strategic Planning may be avoided, primarily because each step provides a filtering process, eliminating alternatives or visions which are not practically attainable by the municipality. In other words, there must be a balance between what the municipality intends to do, what is needed, what is feasible combined with what the municipality's capable of doing.

4.2 Integrating Strategies to a Strategic Plan

At this stage, it is time to view those strategies which survived the five step review of the previous step. It may be useful to categorize the strategies into functional areas. These should be considered the action plans which will be required by the municipality and by the various municipal departments and stakeholders. These strategies should be compared to the municipality's corporate goals and objectives and the municipal planning strategy to determine if they are compatible and if necessary propose the appropriate amendments to these documents.

These strategies will form the blueprint for action by the municipality, where it provides an outline as to what is to be done, who or what departments will be responsible, when it will be done, the results desired and the results which can be measured in order to evaluate attainment. This will include identifying how the municipality will allocate resources (i.e., financial, human and stakeholder resources). Through this process the Strategic Team should identify which of the strategies can be achieved and form part of the Strategic Plan based on the above evaluations.

The Strategic Planning Team should attempt to rank the strategies at this stage. Again, being mindful of the municipality's resources (i.e., what can be reasonably done within the next few years?).

4.3 Municipality s Vision Statement

What should the municipality look like after implementing the strategic plan?

The purpose of the vision is to develop a clear and succinct description of what the municipality should look like after implementing it strategies and achieves its full potential. While the Mission statement outlines the municipality's purpose, the Vision Statement goes further to describe how the municipality should look as a result of the implementation of the strategies identified through this process.

This step is purely optional, however, it does provide a clearer picture to all stakeholders where the municipality wants the strategic plan to take them and assists in the future evaluation of the strategic plan. It should provide inspiration to the future of the municipality. The vision statement should not focus more than three to five years into the future. The level of detail is something the Strategic Planning Team will have to decide upon, as vision statements have

ranged from one to ten pages in length. In some instances, teams have left this step until after the adoption and acceptance of the strategic plan itself because they would then know which were the accepted strategies and it would allow participation of other stakeholders. However, considering the evaluation step and the continual evaluation of the strategic plan, it may be more reasonable to complete the vision statement at this time.

The vision should include the mission, core values, basic strategies, performance criteria, decision making rules, ethical standards and emphasize the important social purpose the municipality serves and that justifies its existence. This vision should be a composite view of the Strategic Planning Team, it should have a high impact and be powerful.

4.4 Evaluation process

Once the strategic plan has been implemented, there needs to be an ongoing evaluation process of the various strategies.

The action plans for each of the strategies should be prepared in a manner which permit yearly evaluation, in terms of accomplishments within projected time frames, the municipality's budget and staffing requirements. The Strategic Planning Team should recommend a standing subcommittee of this team, whose responsibility will be to monitor the implementation of the action plans. Generally, this should comprise three to five members, who will monitor the progress of the Strategic Plan on an annual basis to report back to the Municipal Council.

Worksheet 27 provides a basic outline for the evaluations under the headings of responsibility, feasibility, resources and timetable. Under these headings some of the questions which may be asked are as follows:

Responsibility:

- Have those identified as having responsibility for this project participated as expected?
- Is additional support required to coordinate the project?
- Is additional direction or help required to allow those responsible for achieving their objective more effectively?
- Are changes required regarding the responsibility for the project?

Feasibility:

- Has the feasibility of projects now been determined?

- Do changes have to be made to projects as a result of the feasibility assessment?

Resources:
- Are the key people participating?
- Are additional key people required to participate at this time?
- Are the finances in order?

Timetable:
- Is the proposed schedule being followed?
- Have the actions which were identified to be completed at this point in time been completed?
- Should the timetable be adjusted?

4.5 Prepare Document

Final report format for the strategic plan.

It is time to start pulling all of the work into a documented form to take to the Council and public, although as Bryson notes the greatest achievement has been accomplished where "shared thinking and acting are what count, not strategic plans in and of themselves."

The document could include the following headings to help organize the Strategic Planning Teams work:

- Introduction (including purpose, process and participants)
- Mission Statement
- Municipality's Mandates
- Vision Statement
- Situation Assessment Summary (include appropriate maps)
- SWOT Summary
- Major Strategic Issues
- Functional Strategy Statements
- Implementation Plans, including action plans (include maps and schematics to demonstrate the points)
- Staffing Plans, including municipal staff and volunteers if needed
- Financial Plans, including operating budgets for each year of the plan, plus any necessary capital budgets or fundraising plans
- Monitoring and Evaluation Plans

Council review of the strategic plan and adoption.

Step 5 Adopting the Strategic Plan

At this stage, the Strategic Planning Team has the final document to go to Council for approval. As with any major endeavour of this nature, the team has to determine how they wish to approach this stage. In some instances, the team may wish to hold another Public Meeting to review the results to ascertain public support, review the major initiatives and if necessary modify the plan accordingly. The team may wish to hold a special informal meeting with the Council prior to taking it to a Council Meeting. This would give the councillors the opportunity to review the document to ensure the members of Council have an understanding of the strategic planning process, what process the team went through and the major findings. Again, it also gives the team the opportunity to modify the document to address any issues which were overlooked or to reinvestigate any strategies if required or address specific concerns of any individual or group of councillors and stakeholders. This final consultation with the public and Council should also encourage a greater acceptance of the Strategic Plan.

As suggested with the Public Meetings, there should be a two-week notice given for any meetings. Prior to any meeting, you may also wish to brief the members of the press to ensure they have a full understanding of the document as well.

Step 6 Implementation

Upon the successful adopting of the Strategic Plan, the last function of the Strategic Planning Team revolves around meeting with the major managers of the municipality to initiate the formulation of the action plans and delegation of tasks. To a large degree, much of this work should have been completed with Worksheets 24 and 25. The final detailed action plans, would then be completed by the various municipal departments or other organizations where applicable.

At this point the Strategic Planning Team, may wish to consider the formation of the Evaluation Team to ensure the evaluation process is adhered to, as outlined in Section 4.4 and Worksheet 27. Depending on the circumstances or the strategies involved, such an evaluation can be on an annual basis or every six months, with the annual reviews going to Council.

The strategic plan requires maintenance and adaption to respond to a changing environment.

Step 7 Strategic Issue Management

Once the Strategic Plan is adopted by council and its implementation has commenced that does not mean it is the end of the process. Municipalities do not exist in a static environment, strategies must be maintained and if necessary updated or modified to deal with this ever changing environment. In some situations, if the strategies have proven to be ineffective or the situation has changed, it may be necessary to identify new strategic issues and formulate new strategies and eliminate the ineffective strategies. Similarly, as new issues arise, new strategies will have to be formulated to deal with them, hence the term Strategic Issue Management.

This is not to imply that the municipality must necessarily start the whole process over again, rather it should be considered more as strategy maintenance, especially considering when most of the background work (mission, mandates, SWOT analysis, vision statement, etc.) has been completed.

Therefore, the municipality may wish to set up a systematic process with principal managers to identify key strategic issues which have arisen because of the changing environment or a shift of the priorities of the existing strategic issues for the same reason. Depending on the situation, such a review may be done on an annual or biannual basis. Quite simply, this would involve using the steps already outlined, from the SWOT Analysis or Identification of Strategic Issues (step 3) process, forward.

Summation

As stated in the beginning, the purpose of this document is to provide a better understanding of the Strategic Planning Process and provide a potential model for a municipality to follow if they wish to embark upon a strategic planning process by themselves. As noted previously, the municipality may wish to consider hiring a consultant to guide them through the process and act as a facilitator at various stages. In this case, the document should provide the information to better evaluate potential candidates to best suit the needs of the municipality.

Definitions

Action Plan: Statements of the details of each tactical description, including details of who is responsible for each specific step and when each step will be completed.

Consensus: A general agreement among the constituency.

Goal: A broad statement describing what we will do in the future, how our organization will appear, or how we will deliver services based on our vision. A description of a long-range strategy positioning us to achieve our vision.

Indicator: A specific characteristic or event that is directly measurable and reflects some aspect of the performance being measured.

Mandates: Externally imposed legal requirements and informal requirements and priorities that affect our organization.

Mission Statement: A declaration of our organization's purpose.

Objective: Statement of what needs to be done in order to reach a specific goal and by what date (broad time frame).

Paradigms: the lenses through which we view our world, and include our attitudes, behaviours, and actions. Paradigms can be international, national, ethnic, organizational or individual.

Paradigm shift: A change in the way in which we view our world, or a change in our attitudes, behaviour or actions.

Stakeholder: Any group or individual who is affected by or who can affect the future of our organization, in other words they have a "stake" in what we do. Examples of a municipality's stakeholders group would include citizens (include all citizen groups living within the municipality), taxpayers, service recipients, the governing body, employees, unions, interest groups, the financial community, businesses and other governments (local, provincial and federal).

Strategic Planning: A disciplined effort to guide the activities of the organization.

Vision Statement: A description of how our organization appears in the future including our values. The statement is inspiring and describes our organization as a success in meeting the needs of important stakeholder. The statement also provides guidance and long range direction to staff.

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Wilkinson, George. "Strategic Planning in the Voluntary Sector" in Handbook of Strategic Planning, Gardner, James R., and Rachlin, Robert, and Sweeny, H.W. Allen (editors) John Wiley & Sons, New York, 1986.

Websites
City of Grande Prairie: www.city.grande-prairie.ab.ca
City of Kingston: www.city.kingston.on.ca/info
City of Fredericton: www.city.fredericton.nb.ca/cityhall/strategic
City of Moncton.org/english/strategic.htm

Worksheets

The following worksheets are provided as a guide only. As the Strategic Planning Team begins its process, it may become apparent that the team will want to modify them or add additional sheets to suit the individual needs of the municipality.

Work Plan

	Task	Time	Budget
1.	Getting Organized		
•	Striking a Strategic Planning Team	_____	_____
•	Setting Organizational Framework	_____	_____
•	Identifying Municipality's Mandates	_____	_____
2.	Values and Mission		
•	Stakeholder Analysis	_____	_____
•	Municipality's Values	_____	_____
•	Municipality's Mission Statement	_____	_____
3.	Assessing the Situation		
•	Situation Assessment	_____	_____
•	SWOT Analysis	_____	_____
•	Identifying Strategic Issues	_____	_____
4.	Strategic Plan		
•	Formulate Strategies	_____	_____
•	Integrating Strategies to Strategic Plan	_____	_____
•	Municipality's Vision Statement	_____	_____
•	Evaluation Process	_____	_____
•	Prepare Document	_____	_____
5.	Adopting the Strategic Plan	_____	_____
6.	Implementation		
•	Formulate Implementation Process	_____	_____
7.	Strategic Issue Management		
•	Reassess Strategies and Strategic Planning Process	_____	_____

Strategic Team Analysis

Member	Interests and Abilities

Gantt Chart

Strategic Plan - Gantt Chart (Sample)

Time Lines (weeks)

Tasks	0	2	4	6	8	10	12	14
1. Getting Organized								
• striking team	□□□							
• organization framework	□□□							
• municipality's mandates	□□□□							
2. Values and Mission								
• stakeholder analysis		□□□□□						
• municipality's values		□□□□□						
• mission statement		□□						
3. Assessing the Situation								
• situation assessment		□□□□□□□□□□						
• SWOT analysis			□□□□□□□□□□□					
• strategic issues			□□□□□□□□□□□□□					
4. Strategic Plan								
• formulate strategies					□□□□□□□□□□			
• integrate strategies						□□□□		
• vision statement							□□□	
• evaluation process						□□□□□		
• prepare document						□□□□		
5. Adopting the Strategic Plan							□□	
6. Implementation								
• process							□□□□□□	
7. Strategic Issue Management								
• reassess							□□□□□□□□	

Municipality s Mandates

1. What functions do we perform?

2. What is the basic legislative framework for our municipality?

   - Municipal Government Act

Municipality s Mandates
(continued)

- Municipal By-laws and policies

3. What do we hope to achieve?

Stakeholder Analysis

Stakeholder: _____

1. What is the stakeholders' interest or relationship with the municipality?

_____
_____
_____
_____

2. What influence does the stakeholder have with the municipality?

_____
_____
_____
_____
_____
_____
_____
_____

3. What influence does the municipality have with the stakeholder?

_____
_____
_____
_____
_____
_____
_____
_____

Stakeholder Analysis
(continued)

4. What criteria does the stakeholder use to judge the municipality?

_____
_____
_____
_____
_____
_____
_____
_____

5. As an organization, what does the municipality need from this stakeholder, to survive and prosper?

_____
_____
_____
_____
_____
_____
_____
_____

6. How important is the stakeholder to the municipality?

_____
_____
_____
_____

7. Rank: _____

Municipality s Values Worksheet

1. Who are we as a municipality?

_____
_____
_____
_____
_____

2. Our municipality must respond to what are the basic needs or problems? (For example: social, business, protection, education, urban and rural development)

_____
_____
_____
_____
_____

3. What does our municipality want to do to recognize or anticipate and respond to these needs or problems?

_____
_____
_____
_____
_____

4. What should the municipality's responses be to the key stakeholders?

a. _____
_____
_____
_____
_____

Municipality s Values Worksheet
(continued)

b. _____

c. _____

d. _____

e. _____

f. _____

5. What is the municipality's philosophy and what are the municipality's core values?

_____

6. What makes our municipal government structure distinct or unique?

_____

FJ

Mission Statement

The Mission Statement provides the raison d'être for the municipality. It should be short, no more than a paragraph and may even be a slogan. The Mission Statement should focus on results with less emphasis on activity.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Situation Assessment

Data Collection

1. Physical Environment
   - geographical features ❑
   - development patterns ❑
   - land use and zoning ❑
   - natural resources/features ❑
   - open space ❑
   - infrastructure (e.g. water, sewer, roads) ❑
   - condition of developed areas ❑
   - major provincial transportation corridors ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑

2. Economic Environment
   - economic base ❑
   - resource base ❑
   - commercial development ❑
   - retail development ❑
   - office development ❑
   - industrial development ❑
   - housing development ❑
   - tourism development ❑
   - real estate development ❑
   - trade area profile and markets ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑

Situation Assessment

Data Collection (continued)

3. Social Environment
   - population/demographics ❑
   - labour force ❑
   - social services ❑
   - community organizations ❑
   - community facilities ❑
   - recreational facilities ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑

4. Cultural
   - history ❑
   - historic sites ❑
   - museums ❑
   - schools ❑
   - universities and colleges ❑
   - theatres ❑
   - libraries ❑
   - festivals ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑

Situation Assessment

Data Collection (continued)

5. Municipal Organization
   - municipal government structure ❑
   - municipal services (e.g., recreation, fire, police) ❑
   - municipal resources (e.g., equipment, land) ❑
   - budget and financial considerations ❑
   - workforce expertise and resources ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑
   - _____ ❑

6. Interest Groups
   - Business Groups (e.g., downtown, industrial parks) ❑
   - Environmental Groups ❑
   - Cultural Groups ❑
   - Service/Community Organizations ❑
   - _____ ❑
   - _____ ❑

7. Surveys
   - questionnaires ❑
   - interviews ❑
   - focus groups ❑
   - public meetings ❑
   - _____ ❑
   - _____ ❑

SWOT Analysis
Internal Strengths Worksheet

Strength #_____

_____
_____
_____
_____
_____

Strength #_____

_____
_____
_____
_____
_____

Strength #_____

_____
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_____
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_____

Strength #_____

_____
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SWOT Analysis
Internal Weaknesses Worksheet

Weakness #_____

_____
_____
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Weakness #_____

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_____

Weakness #_____

_____
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Weakness #_____

_____
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_____
_____
_____

SWOT Analysis
External Opportunities Worksheet

Opportunity #_____

_____
_____
_____
_____
_____

Opportunity #_____

_____
_____
_____
_____
_____

Opportunity #_____

_____
_____
_____
_____
_____

Opportunity #_____

_____
_____
_____
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_____

SWOT Analysis
External Threats Worksheet

Threat #_____

_____
_____
_____
_____
_____

Threat #_____

_____
_____
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_____
_____

Threat #_____

_____
_____
_____
_____
_____

Threat #_____

_____
_____
_____
_____
_____

Strategic Issue Identification

1. What is the issue? (This must be an issue which the municipality can take some action.)

_____

_____

2. Who considers this to be an issue?

_____

_____

3. Why is this an issue? (What makes this an issue in terms of the municipality's mission and mandates, and the SWOT analysis?)

_____

_____

_____

_____

_____

_____

_____

_____

_____

4. What are the consequences of not addressing this issue?

_____

_____

_____

_____

_____

_____

_____

_____

Strategic Issues Test

Strategic Issue: _____

1. When will the "strategic" issue confront the municipality?
   (1) immediately
   (2) next year
   (3) two or more years

   Score: _____

2. How broad of an impact will this issue have on the municipality?
   (1) single division
   (2) department
   (3) entire municipality

   Score: _____

3. What impact will this strategy have on the municipality's budget?
   (1) minor
   (2) moderate
   (3) major

   Score: _____

4. Will the strategies for issue resolution likely require:
   a. Development of new service goals and programs?
      (1) no
      (3) yes

      Score: _____

   b. Significant changes in tax sources or amounts?
      (1) no
      (3) yes

      Score: _____

Strategic Issues Test
(continued)

c. Major facility additions or modifications?
(1) no
(3) yes

Score: _____

d. Significant impact upon staffing levels?
(1) no
(3) yes

Score: _____

5. What is the lowest level of management that can decide how to deal with this issue?
(1) Line Staff Supervisor
(2) Department Head
(3) Town Manager, CAO or Council

Score: _____

6. What are the probable consequences of not addressing this issue?
(1) inconvenience or inefficiency
(2) significant service disruption or financial impact
(3) long term service disruption or large financial impact

Score: _____

7. How sensitive is the issue relative to community, social, political or cultural values?
(1) minor
(2) moderate
(3) major

Score: _____

Generally speaking, if the scores are predominately 2 and 3, it can be considered a major strategic issue. If the scores are predominately 1 and 2, it can be considered more of an operational issue.

Practical Alternatives

Strategic Issue: _____

What are the practical alternatives the municipality might pursue to address this strategic issue?

Practical Alternative #_____

_____
_____
_____
_____
_____
_____
_____

Practical Alternative #_____

_____
_____
_____
_____
_____
_____
_____

Practical Alternative #_____

_____
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_____
_____

Barriers Identification

What are the barriers to the realization of these alternatives?

Barrier #_____

_____
_____
_____
_____
_____
_____
_____

Barrier #_____

_____
_____
_____
_____
_____
_____
_____

Barrier #_____

_____
_____
_____
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_____
_____

Major Proposals

What are the major proposals the municipality might pursue to either achieve the alternatives, or overcome the barriers to their realization?

Strategy #_____

_____
_____
_____
_____
_____
_____

Strategy #_____

_____
_____
_____
_____
_____
_____

Strategy #_____

_____
_____
_____
_____
_____
_____

Strategic Action Plan

Strategy #____ Name of Initiative:_____

Project/Program description:_____

_____

_____

Intended Outcomes: _____

_____

_____

Responsibility Centres:_____

_____

_____

Feasibility: _____

_____

_____

Resources Needed: _____

_____

_____

Impact upon other Strategies: _____

_____

_____

Timetable:_____

Immediate Action Required:_____

_____

_____

Major Actions Worksheet

What major actions, with existing staff and within the existing job descriptions, must be taken within the next year to implement the strategies or proposals?

Strategy # _____ Major Action # _____

_____

_____

_____

_____

_____

Strategy # _____ Major Action # _____

_____

_____

_____

_____

_____

Strategy # _____ Major Action # _____

_____

_____

_____

_____

_____

Strategy # _____ Major Action # _____

_____

_____

_____

_____

_____

Vision Statement

The Municipality's Vision Statement should reflect the municipality's mission, core values, basic strategies, performance criteria, decision making rules, ethical standards and emphasize the important social purpose the municipality serves and that justifies its existence. The statement should be short and inspirational.

_____

_____

_____

_____

_____

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_____

_____

_____

Progress Evaluation

Strategic Action Plan: _____

Responsibility:

_____
_____
_____
_____
_____

Feasibility:

_____
_____
_____
_____
_____

Resources:

_____
_____
_____
_____
_____

Timetable:

_____
_____
_____
_____

Section 6.2

Capital Improvement Plan

The purpose of this guide is to provide a brief overview on what is a Capital Improvement Plan (CIP), the advantages of implementing one and how to prepare one.

The first section includes a review of:

- What is a Capital Improvement Plan?
- What is the purpose of a Capital Improvement Plan?
- Why should a municipality prepare a Capital Improvement Plan?
- What are the steps in preparing a Capital Improvement Plan?

The second section includes a Capital Improvement Plan Workbook, which includes:

- A brief overview handout on how to complete Capital Improvement Plan.
- Worksheet 1 provides a checklist on the items to complete for the steps of the Capital Improvement Plan.
- Worksheet 2 provides the commonly used capital project evaluation criteria.
- Worksheet 3 provides a chart for the listing of the inventory of public facilities.

A Model Capital Improvement Plan for Municipal Units

I. Definition:

What is a Capital Improvement Plan?

A capital improvement plan (CIP) is a multi-year plan identifying capital projects to be funded during the planning period. The CIP identifies each proposed capital project to be undertaken, the year the assets will be acquired or the project started, the amount of funds expected to be expended in each year of the CIP and the way the expenditure will be funded.

A CIP is not a static document. It should be reviewed every year to reflect changing priorities, unexpected events and opportunities. The CIP should include the maintenance, repair and rehabilitation of existing infrastructure as well as the construction of new infrastructure (see chart 1). This can include capital items such as buildings, utility systems, roadways, bridges, parks, landfills and heavy equipment which have a high cost and a useful life of several years.

II. Purpose:

What is the purpose of a CIP?

The basic function of a CIP is to provide:

- a formal mechanism for decision making,
- a link to long range plans,
- a financial management tool, and
- a reporting document.

Mechanism for formal decision making

A CIP provides government with a process for the planning and budgeting of capital needs. A CIP answers such questions as what to buy, build, or repair and when to buy or build. It is a useful tool for prioritizing of capital projects.

A link to long range plans

A CIP serves as a link to the planning process and should be developed with the land use plan, strategic plan and other long range plans. When determining whether or not new

infrastructure should be constructed or existing infrastructure should be replaced, it is important to consider changing demographics and land use patterns.

Financial management tool

A CIP is used to prioritize current and future needs to fit within the anticipated level of financial resources. When looking at capital projects, it is important to consider the operating and maintenance costs that will be incurred with the construction or replacement of infrastructure. A CIP will allow for better financial planning and will smooth the need for sharp increases in tax rates or user fees to cover unexpected repairs, replacements or construction of capital assets.

Reporting document

A CIP presents a description of proposed projects that will be undertaken over the planning period. The CIP is used to communicate to citizens the municipal unit's capital priorities and plans for implementing projects. It also includes the expected source of funding for projects.

III. Advantages:

What are the advantages of a CIP for municipalities?

The advantages of a CIP are numerous. The major advantages are that a CIP:

i. It focuses attention on community goals, needs and financial capability. A CIP ensures that the projects that are being done are the ones that will best serve the needs of the majority of citizens. When determining the projects to be addressed in the CIP it is important to balance the community's needs against the community's ability to pay.

ii. It provides a forum for building public consensus for projects and improves community awareness. By involving the citizens in the selection and prioritization of projects, support for the projects is generated thereby eliminating (or reducing) opposition to the projects. It also educates the public as to the

costs of capital projects.

iii. It improves inter-/intra governmental cooperation and communication. A CIP enhances coordination of capital projects between government departments and agencies. If all departments are aware of the proposed schedule of capital projects, opportunities may exist to schedule projects from different departments in such a manner to ensure an effective use of resources. If a municipal unit communicates its long range plans to other municipal units in an area, the opportunity may exist to reduce duplication of programs and share in joint efforts that could reduce the costs to all residents and improve the services to the residents in the common area.

iv. It ensures an efficient use of resources. By having a multi year focus on projects, scheduling of phases of the project can be coordinated to ensure the project is finished on time and on budget. A CIP can also reduce the likelihood of costly delays brought about by citizen opposition to the projects and through missed linkages with other projects or project phases or through insufficient funding.

v. It helps to ensure financial stability. Capital projects are prioritized and scheduled to fit within expected funding. This planning will reduce the occurrence of dramatic tax increases to fund capital projects. Another advantage is that municipal units will not have to take allocated resources from one project to make unanticipated capital expenditures. On a more fundamental level a CIP promotes financial stability through infrastructure maintenance and allowing for long term planning of resources and needs. The details of the impact of capital funding on operating budgets and debt servicing levels are clearly visible.

Limitations to the CIP process exist. Some limitations are the implementation of a CIP requires additional time by administrative and elected officials for preparing, reviewing and revising the CIP and

budget. It is important to recognize that the role of the CIP is not to discourage development. Development may still occur in areas where site conditions and development controls permit on-site sewer and water systems or where key support facilities and urban services exist. However, the benefits of performing a CIP far outweigh any limitations to the process.

IV. Steps in the Capital Improvement Process:

There are 11 steps to completing a CIP.

The general outlines of the CIP will not vary significantly from one municipal unit to another. The major difference will be the amount of detail that is contained in an individual municipal unit's CIP. The amount of detail that is contained in a CIP is a factor of the size of the municipal unit, its organizational structure, fiscal condition and rate of growth. When preparing a CIP each municipal unit must take into account its specific needs.

The steps each municipal unit follows when implementing a CIP should remain the same. The design of a CIP follows eleven basic steps (see Worksheet 1):

Administration Structure

1. Establish the administrative structure. At this point a municipal unit would appoint a coordinating unit or individual, distinguish between capital and operating expenditures, determine the time frame that the CIP will cover, prepare a calendar of key events and set the mechanism for public input.

   It is important that the administrative framework include all individuals (departments) that are involved in the capital project decision making process; engineering, planning, finance, etc. While it is important to involve all stakeholders it is vital that the coordination of the CIP be handled by a single office or person.

Policy Framework

2. Establish the policy framework for the CIP. A municipal unit will have a set of long range goals that they want to achieve with respect to the capital program. In many communities the principal criteria for capital improvements is a desired level of service. The policies that the municipal unit put in place provide the framework for achieving those goals and address the issues of: the municipal unit's financial viability, community development, levels of service standards and other strategic goals.

Policy Framework

3. Formulate evaluation criteria to determine capital spending levels and to guide capital project selection. The criteria to evaluate projects should be clearly defined and agreed upon before the selection of capital projects begin. Some of the criteria that should be considered are:
   - the fiscal impact (on costs and revenues),
   - health and safety effects,
   - community economic effects,
   - environmental and social effects,
   - feasibility including public support and the municipal unit's readiness, and ability to undertake the project,
   - implications of deferring the project,
   - amount of uncertainty and risk,
   - effect on inter-municipal relationships, and
   - any advantages that will be realized from undertaking that project at the specified time in relation to other projects (see Worksheet 2).

Capital Needs Assessment

4. Prepare a capital needs assessment. A capital needs assessment must take into account maintenance of existing infrastructure as well as the construction of new infrastructure. Proper maintenance of infrastructure is vital if governments are to deliver quality services to its residents effectively and efficiently. When looking at existing capital assets you must include the cost of deferring maintenance, the life cycle of the asset (useful

life remaining), the total cost of operating and maintaining the asset versus the total cost of replacing the asset. The municipal unit will prepare an inventory of assets. The inventory should include the age, condition, maintenance history of the asset and the replacement cost of the asset. This information will be instrumental when the municipal unit is trying to decide if they should repair or replace infrastructure (see Worksheet 3).

It is important to identify needs for capital facilities and equipment in the future by reviewing and forecasting demographic information, land use patterns and other relevant information.

Status of Existing and New Projects

5. Determine the status of previously approved projects and identify new projects. It is important that previously approved projects be reviewed in the capital improvement process. By reviewing previously approved projects municipal units will be able to evaluate whether or not the projects are on schedule and on budget. The municipal unit will also have to determine if a project that is not on schedule will impact planned projects for the upcoming year. Unfinished projects may require the financial and human resources that had been committed to current projects.

Municipal units will need to develop information for new project proposals. Decisions makers will need to know the project scope, justification of the project based on capital improvement plan policies or other long range goal, cost and expenditure schedule.

Financial Capacity

6. Assess the financial capacity of the municipal unit to undertake new capital projects. The municipality should look at past, present and future trends in revenue generation, debt levels and ratios, changing regulations and shifting demographics to determine whether or not they can afford to undertake any or all of the proposed capital projects. The objective of the analysis is to determine the amount of funds available from existing revenue sources to pay for capital projects. The analysis should also consider the availability of senior government funding or new revenue sources as well as any tax rate increase that maybe required to finance the project(s).

When looking at the cost of doing a project it is important to look at all the project costs; capital, operating and maintenance. Decision makers should also look at the cost of not doing a project. If you delay a project or maintenance what will the cost of construction be in the future, what are the current yearly operating and maintenance costs and what is the lost opportunity cost to the municipality.

Evaluate Options

7. Evaluate funding options. Once the cost of capital projects are known the municipality must decide on how they will fund the projects. It is helpful if the municipality has a policy in place that deals with investments and financing options. Some financing options are pay as you go, long term borrowing, lease purchase agreements, user fees and special purpose taxes. With limited financial resources it is important that municipalities look at all possible financing options. The decision makers need to be realistic when assessing the feasibility of financing arrangements and must consider their legal authority to enter into financing agreements, financing methods, political acceptability and administrative complexity.

Ranking

8. Compile, evaluate and rank project requests and undertake financial programming. This is where project requests are evaluated and prioritized. The evaluation criteria is used to

rank each project. It is important that all the stakeholders are involved in this process, this will ensure greater fairness in the ranking. Once the ranking is completed, funding sources are identified and the year the project will be undertaken will be determined.

Adoption

9. Adopt a capital program and capital budget. The CIP and capital budget will have to be formally approved and adopted by the municipal council. Ideally the capital budget and the CIP will be for the same time frame. The council would approve the capital plan in principle as the legislative authority to incur expenditures does not extend beyond one year. The CIP is a planning tool and the approval of the capital budget is the legislative authority to incur expenditures in that year. The CIP document should describe the program and budget. It must include enough relevant information about the capital program so that stakeholders (elected officials, residents and staff) can respond to the capital priorities.

Implementation

10. Implement and Monitor the Capital Budget and Projects. The projects must be monitored on an ongoing basis. The projects should be tracked from a cash flow or financial component as well as a time management perspective. A project that is over budget or is behind schedule may have an impact on the capital project schedule and budget for the next year.

Evaluation

11. Evaluate the CIP Process. The CIP must be evaluated on an ongoing basis. The evaluating committee should look at what aspects of the plan worked and what areas of the plan can be improved. This step is particularly important in the first year(s) of a CIP. Once the CIP has been established the administrative and policy areas will need some adjustment, but will not need to be reinvented. Generally once the CIP has been established the process will be able to start at step five most years with a review of steps 1 to 4 every so many years, as the committee

sees fit.

V. Conclusion:

Capital improvement programming is a valuable tool to ensure that choices are made wisely. Every community whether it is experiencing growth, decline or stability needs to budget for capital items to maintain the current asset base and to meet future needs.

The CIP enables decision makers to make the correct long term decisions that benefit the community as a whole both from a financial perspective and a service delivery/quality of life perspective.

Attached as a reference guide are a number of worksheets that have been used by various municipal governments to establish a capital improvement plan. These worksheets are to be used for reference only. Municipal units are encouraged to develop worksheets and a work plan that best suits their own needs.

Reference List:

1. A Capital Improvement Programming Handbook for Small Cities and Other Governmental Units, Municipal Finance Officers Association

2. Planning for Capital Improvements, MIS Report, Vol.25 # 10, October 1993

3. Guide to Setting Priorities for Capital Investment, Guides to Managing Urban Capital, Vol.5

4. Capital Improvement Programming : A Guide for Smaller Governments, Government Finance Officers Association, 1996

Capital Improvement Plan
Workbook

The following workbook was developed as a handout to be distributed to the Capital Improvement Plan work team. It includes:

- **Capital Improvement Plan - Overview**
  - Definition
  - Purpose
  - Advantages
  - Steps in the Capital Improvement Plan
  - Conclusions

- **Work Sheet 1**
  - Checklist of the tasks to be completed for each of the 11 steps of the Capital Improvement Plan

- **Work Sheet 2**
  - Commonly Used Capital Project Evaluation Criteria

- **Work Sheet 3**
  - Inventory of Public Facilities

Capital Improvement Plan - Overview

Definition:
A capital improvement plan (CIP) is a multi-year plan identifying capital projects to be funded during the planning period. The CIP identifies each proposed capital project to be undertaken, the year the assets will be acquired or the project started, the amount of funds expected to be expended in each year of the CIP and the means of funding the expenditures.

A CIP is not a static document. It should be reviewed every year to reflect changing priorities, unexpected events and opportunities. The CIP should include the maintenance, repair and rehabilitation of existing infrastructure as well as the construction of new infrastructure.

Purpose:
The basic function of a CIP is to provide a formal mechanism for decision making, a link to long range plans, a financial management tool and a reporting document.

Advantages:
The major advantages of a CIP are:

1. Focuses attention on community goals, needs and financial capability.
2. Builds public consensus for projects and improves community awareness.
3. Improves inter-/intra governmental cooperation and communication.
4. Ensure efficient use of resources.
5. Promotes financial stability through:
   a) infrastructure maintenance
   b) long term planning of resources and needs
   c) details impact of capital funding on operating budgets, debt servicing

Limitations to a CIP process exist. Some limitations are the implementation of a CIP requires additional time by administrative and elected officials for preparing, reviewing and revising the CIP and budget on an annual basis. It is important to recognize that the role of the CIP is not to discourage development. Development may still occur in areas where site conditions and development controls permit on-site sewer and water systems or where key support facilities and urban services exist. However the benefits of performing a CIP far outweigh any limitations to the process.

Steps in the Capital Improvement Process:

The general outlines of the CIP will not vary significantly from one municipal unit to an other. The major difference will be the amount of detail contained in an individual municipal unit's CIP. The amount of detail that is contained in a CIP is a factor of the size of the municipal unit, it's organizational structure, fiscal condition and rate of growth. When preparing a CIP each municipal unit must take into account its specific needs.

The steps that each municipal unit follow when implementing a CIP are the same. The design of a CIP follows eleven basic steps:

1. Establish the administrative structure.
2. Establish the policy framework for the CIP.
3. Formulate evaluation criteria to determine capital spending levels and to guide capital project selection.
4. Prepare a capital needs assessment.
5. Determine the status of previously approved projects and identify new projects.
6. Assess the financial capacity of the municipal unit to undertake new capital projects.
7. Evaluate funding options.
8. Compile, evaluate and rank project requests and undertake financial programming.
9. Adopt a capital program and capital budget.
10. Implement and Monitor the Capital Budget and Projects.
11. Evaluate the CIP Process.

Conclusion:

Capital improvement planning is a valuable tool to ensure that choices are made wisely. Every community-whether it is experiencing growth, decline or stability-needs to budget for capital items to maintain the current asset base and to meet future needs. The CIP enables decision makers to make the correct long term decisions that benefit the community as a whole both from a financial perspective and a service delivery/quality of life perspective.

Work Sheet 1 Checklist - Steps in the CIP Process

1 **Establish the administrative structure.**
- ☐ appoint a coordinating unit or individual
- ☐ distinguish between capital and operating expenditures
- ☐ determine number of years in CIP
- ☐ prepare calendar of key events
- ☐ formulate procedures for citizen input

2 **Establish the policy framework.**
- ☐ develop programmatic policies
- ☐ develop financial policies

3 **Develop capital project evaluation criteria.** (see worksheet 2)

4 **Prepare capital needs assessment.** (see worksheet 3)
- ☐ prepare capital inventory
- ☐ evaluate whether to repair or replace facilities

5 **Identify projects for capital program.**
- ☐ review status of previously approved projects
- ☐ identify and develop information for new projects
- ☐ examine capital project alternatives
- ☐ complete and submit project request forms

6 **Undertake financial capacity analysis.**
- ☐ evaluate financial conditions
- ☐ assess likelihood past trends will continue

7 **Evaluate funding options.**

8 **Evaluate and program capital projects.**
- ☐ review project applications
- ☐ prioritize capital projects
- ☐ select projects, schedules and assign a funding source

9 **Adopt capital program and budget.**
- ☐ prepare CIP document
- ☐ submit preliminary CIP to legislative body
- ☐ engage in formal public hearings
- ☐ revise CIP and send to legislative body for adoption

10 **Implement and monitor capital budget.**
- ☐ assign a project manager
- ☐ refine project milestones and cost schedules
- ☐ prepare progress reports, review and take action as needed
- ☐ monitor external environment

11 **Evaluate CIP process.**
- ☐ consider organizational/process issues
- ☐ review forms and documents
- ☐ examine financial assumptions and funding sources

From: Capital Improvement Programming a Guide for Smaller Governments. GFOA, 1996

Worksheet 2 Commonly Used Capital Project Evaluation Criteria

Consideration	Questions to Ask	Comments
Legal Mandates	Is the project needed to met provincial or federal regulations?	
Fiscal and Budget Impacts	What is the total capital cost? Impact on operating budget? Impact on tax base, tax rate and user fees? Is there any senior government funding available?	
Health and Safety Impacts	Will the project improve the health and/or safety of the residents in a measurable way?	
Environmental, Aesthetic and Social Effects	Does the project reduce pollution levels? Improve the appearance of neighbourhoods? Ensure community values are achieved?	
Economic Development Impacts	Does the project promote the economic vitality of the community (job creation or business development)?	
Project Feasibility	Does the project demonstrate that it can be implemented as planned? Is the timing, phasing and proposed funding reasonable? Is there public support for the project?	
Distributional Effects	Who benefits from the proposed projects? Is the distribution of projects balanced?	
Disruption/Inconvenience	How much disruption or inconvenience is caused by the project?	
Impact of Deferral	What are the implications of deferring the project?	
Uncertainty of Risk	What degree of risk or uncertainty is inherent in acquiring the facility (demand, obsolescence)?	
Inter-municipal Effects	What are the effects on inter-municipal relationships? Is there an opportunity for inter-municipal cooperation?	
Relationship to Other Projects	Are there advantages from this project accruing to other projects?	

These are examples of commonly used criteria that can be used to evaluate project. Each municipal unit can develop their own criteria to met their needs. Once the criteria have been established it is important that they are ranked or weighted so that projects may be prioritized.

From: Capital Improvement Programming a Guide for Smaller Governments. GFOA, 1996

Worksheet 3 Inventory of Public Facilities

General Information:

Type of Facility: _____
Unit of Capacity: _____
CIP Time Frame: _____

Name of Facility				
Location				
Service Area				
Facility Capacity				
Needs Work?				
Type of Improvement				
Estimated Cost				
Year Needed (in CIP time frame)				

From: Capital Improvement Programming a Guide for Smaller Governments. GFOA, 1996